

## TRAFFORD BOROUGH COUNCIL

**Report to:** Executive and Council  
**Date:** 17 February 2016  
**Report for:** Decision  
**Report of:** The Executive Member for Finance and the Director of Finance

### Report Title

**Executive's Revenue Budget Proposals 2016/17**

### Summary

The report sets out the Executive's updated revenue budget proposals for 2016/17, taking account of: movements in Government funding; consultation feedback from stakeholders, staff and Scrutiny and; changes to budget assumptions and estimates.

It also sets out the approach taken to consultation, the subsequent outcomes and the revised recommendations which are now put forward for members to consider.

#### **The key summary points for the revenue budget proposals are:**

The budget gap for 2016/17 is £22.6m comprising:-

- £10.6m reduction in funding, consisting of £7.4m reduced sustainable Government funding, £4.5m reduction of one off contributions from business rates and reserves in 2015/16 offset by additional income of £(1.3)m from an estimated increase in growth from our Council Tax base.
- Planned base budget investment, inflation, and demographic pressures in key services, increasing charges from levying bodies for waste disposal and some reduction in income totalling another £12.0m.

The total budget deficit for 2016/17 has been met by:-

- Additional income streams will amount to £(10.3)m being 46% of the budget deficit,
- Efficiencies of £(5.0)m, 22% of the budget deficit and
- £(7.3)m of policy choice savings have been identified being 32% of the budget deficit.

After five years of successive council tax freezes, it is proposed that council tax will increase by 2% for the social care 'precept', to be earmarked for adult social care.

The budget for 2016/17 will decrease by £(1.594)m or (1.1)%, from £148.914 to £147.320m.

The Director of Finance has set out his view on the reasonableness and robustness of the budget, and the availability and adequacy of reserves, at Annex I. Attention is also drawn to the considerations Members should have when considering council tax levels, as set out in paras 5.4 to 5.7.

### **Recommendation(s)**

#### **It is recommended that Council approve:**

- The net Revenue Budget for 2016/17 at £147.320m, a decrease of £(1.594)m, or (1.1)%, when compared to the 2015/16 base budget of £148.914m;
- The calculation of the Council Tax Requirement as summarised in Section 9 and set out in the Formal Council Tax Resolution (Green Sheets to be circulated at Council);
- That the Council Tax level for Trafford related services in 2016/17 be increased by 2% in respect of the social care “precept” (valuation bands are detailed at Annex D);
- No further increase in the general level of council tax over and above the social care precept;
- The Fees and Charges for 2016/17, as set out in the booklet available on the Council’s website:-
- Approval is delegated jointly to each Corporate Director with the Chief Finance Officer to amend fees and charges during 2016/17 in the event of any change in the rate of VAT, as appropriate.
- That the minimum level of General Reserve for 2016/17 be set at £6.0m, the same as in 2015/16 (Section 6);
- The overall Capital Investment Programme level of £90.7m be approved (as detailed in the Capital Investment Programme 2016/19 report attached) of which £43.7m relates to 2016/17.
- The Prudential Borrowing Indicators as set out in Appendix 3, page 14, of the attached Treasury Management Strategy.
- The distribution of Dedicated Schools Grant as recommended by the School Funding Forum and Executive as summarised in Section 7 and detailed in Annex E.

#### **and in approving the above, has taken into consideration :**

- The objective assessment by the Director of Finance of the robustness of budget estimates and adequacy of the General Reserve (Section 5 and Annex I).
- The Executive’s response to the Scrutiny Committee’s recommendations to the

budget proposals, which can be found elsewhere on the agenda.

- The detailed report on the outcomes of the Staff and Trade Union Consultation which can be found on the agenda for the Executive on 18 January 2016.
- The Equality Impact Assessments in relation to the budget proposals and the Public Sector Equality duty.
- The comments of the Director of Finance in paras 5.4 to 5.7 regarding Council Tax.

**In addition, the Council notes the following :**

- The approval on 19 January 2016 under delegated powers by the Director of Finance of the Council Tax Base for 2016/17 at 73,844 Band D equivalents. Along with the calculation of the estimated Council Tax surplus, sufficient to release £(300)k to support the Council’s 2016/17 revenue budget and a distribution of £(41.3)k and £(15.6)k representing the respective shares of the GM Police & Crime Commissioner and GM Fire and Rescue Authority.
- That the Capital Investment Programme for 2017/18 and 2018/19 is to be set at an indicative £26.9m and £20.1m respectively.
- That the Council Tax figures included in the report for the GM Fire & Rescue and Police Authority are the recommended provisional amounts pending their formal approval.
- The Treasury Management Strategy 2016/19 detailed elsewhere on the agenda.
- The base budget assumptions as set out in the Medium Term Financial Outlook as detailed in Annex A.
- Notes the final decisions with regard to some services will not be taken until March 2016. As a result, the allocation of resources set out on pages 65-70 may vary including the use of reserves. The reports will be presented at the appropriate time.
- A report on the outcomes of the public consultation is included elsewhere on the agenda.

**Contact person for access to background papers and further information:**

Name:	Cllr Patrick Myers	Ian Duncan
Extension:	4884	1886

Relationship to Policy Framework/Corporate Priorities	Value for Money. The proposed budget for 2016/17 supports all key priorities and policies.
Financial	The report sets out the proposed budget for 2016/17, allocating available resource across

	service objective heads as detailed in the report.
Legal Implications:	It is a statutory requirement for the Council to set and approve a balanced, robust budget and Council Tax level. Budget proposals take account of various legislative changes as they affect Council services. The Council has begun and will continue to comply with the statutory processes associated with the effect of the proposed budget on staffing levels. If the budget for a directorate is to be exceeded, which will result in a call on reserves, the Executive will need to identify the impact on reserves and when they will be replenished. The Council has carried out a public consultation on its budget proposals. It has taken full account of the feedback in presenting this budget.
Equality/Diversity Implications	Equality Impact Assessments for each budget proposal have been considered and are published as background papers to this report as a separate item on the agenda.
Sustainability Implications	None arising out of this report.
Risk Management Implications	An impact assessment of each budget proposal is in the process of being finalised.
Staffing/E-Government/Asset Management Implications	Statutory processes have been complied with during the course of these budget proposals in respect of staffing implications and more detail is included in Section 2.
Health and Wellbeing Implications	Equality Impact Assessments in relation to the budget proposals have been considered.
Health and Safety Implications	An impact assessment of each budget proposal is in the process of being finalised.

### **Other Options Considered**

The Executive is recommending an increase to the level of council tax of 2% for the social care 'precept' to be earmarked for adult social care expenditure.

An alternative option is not to increase council tax but there would be insufficient funding to pay for adult care services, particularly in light of the financial settlement which was worse than anticipated. If this option were pursued then further savings would need to be identified over and above the significant level of savings already included for in this budget report. These would then need to be consulted on and therefore would yield only a part year benefit in 2016/17.

The Council could consider an increase in council tax of up to 3.99% in 2016/17 without it being deemed excessive and under the Localism Act 2011 the Council would be required to hold a council tax referendum if it wishes to increase its "Relevant Basic Amount of Council Tax" by an amount equal to or exceeding this.

The use of reserves has been reviewed (See Section 6) and an appropriate amount has been assessed for release to support these budget proposals whilst still maintaining a minimum level of reserves to manage any unforeseen risks. Any further use of reserves is not recommended as it does not provide a sustainable means of balancing the budget.

### **Consultation**

The details and results of the budget consultation exercise are referred to in Section 2 together with the review of the proposals and process by the Council's Scrutiny Committee.

### **The Public Sector Equality Duty**

Under the Equality Act 2010 a public authority in the exercise of its functions must have due regard to the need to eliminate discrimination, harassment, victimisation and any relevant prohibited conduct, advance equality of opportunity between persons sharing a relevant prohibited characteristic and persons who do not; and foster good relations between persons sharing a relevant prohibited characteristic and persons who do not.

Protected characteristics for the purpose of the Act are disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

In order to assist the evaluation of the proposals and to ensure that the Council paid due regard to its duties under the Equality Act, a number of Equality Impact Assessments (EIAs) were carried out as part of the evaluation process to ensure that due consideration was given to those with the protected characteristics and the likely impact of the proposals on each of these groups.

The EIAs were available to officers evaluating the consultation responses and are available to members of the Executive who will be deciding whether or not to support the proposals contained within the report. Any potential impacts have been identified through the EIA and consultation process. Where any potential impact has been identified consideration has been given to whether measures can be taken to mitigate against these impacts and the mitigation measures are set out within the body of the relevant EIA or are reflected in modifications to the proposals.

In considering the report and deciding whether to accept the recommendations the Executive is required to have regard to the Public Sector Equality Duty. In order to satisfy this duty the Executive must consider the potential impacts identified in the EIA's and the consultation responses which are appended to the report. Where reasonable and appropriate mitigation measures have been proposed which will offset either wholly or in part the impacts identified. Where mitigating measures are not proposed, countervailing factors, namely the significant budgetary pressures facing the Council and the need to make improvements and efficiencies to the services concerned are considered to provide justification for the measures proposed

### **Reasons for Recommendation**

To enable the Council to set a Budget Requirement and Council Tax level for 2016/17.

The reason for these recommendations is to deliver a balanced budget 2016/17 in relation to the proposals set out in this report, whilst having due regard for equality impact and risk mitigation.

**Key Decision**

This is a key decision currently on the Forward Plan: Yes

**Finance Officer Clearance** .....GB .....

**Legal Officer Clearance** .....MJ.....

**CORPORATE DIRECTOR'S SIGNATURE**

*(electronic) Signature appended in hard copy*

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.



**TRAFFORD**  
**COUNCIL**

**Executive's  
Revenue Budget  
Proposals 2016/17**

**17 February 2016**

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**FOREWORD and SUMMARY OF BUDGET PROPOSALS by the EXECUTIVE  
MEMBER for FINANCE  
COUNCILLOR PATRICK MYERS**

**Background**

The budget proposals contained in this report are the 7<sup>th</sup> since austerity began in 2010. Throughout this period the Council has been committed to delivering value for money services and a low Council Tax. This can only be achieved by a strong culture of financial management across all services. The Council also has a strong ethos of collaboration and working in partnership to strengthen our local and organisational resilience. As in recent years it is important to remind ourselves of the strengths of the borough and the many achievements of the Council.

Trafford has a robust economy and its population, of just over 230,000, is highly skilled/educated with 44% qualified at NVQ4 and above compared to the Greater Manchester (GM) average of 32%. The borough has the highest productivity rate per head in GM and the highest Gross Value Added (GVA) outside of Manchester producing £6.6 billion p.a. Total employment in Trafford stands at 158,000 and is predicted to increase by 8% over the next 10yrs.

With our partners we have won several awards for our innovative and collaborative work across Public Sector Partnerships and our Trafford Partnership Executive, which represents all sectors including the faith community, is a powerful force to enable partners to work differently and galvanises communities to take the lead in their local areas. Also in 2014 the Council received a commendation in the North of England Excellence Awards.

As a Council, we have been recognised at a national level for our employment and equality initiatives, employee relations and quality of apprentices.

Our Children's Services were rated by OFSTED as the joint highest performing Children's safeguarding service in the country. OFSTED cited 'many examples of innovation, hard work and determination demonstrated by elected members, officers and workers at all levels to ensure that vulnerable children and families get the best possible service';

94% of Trafford pupils attend schools which are rated as "good" or "outstanding", which puts us in the top 10 local authorities nationally, at both primary and secondary level. Provisional figures show we were ranked 7<sup>th</sup> in the country for GCSE and 3<sup>rd</sup> for A Level results in 2014. Provisional Key Stage 2 data for 2014 shows Trafford joint 1<sup>st</sup> nationally, with 87% of pupils achieving Level 4 or above in Reading, Writing and Maths.

Work is continuing to implement the strategic frameworks for all the town centres including the Stretford Masterplan, Urmston and Sale Road Maps and Altrincham Strategy. The Council is committed to the sustainability of its main town centres. The Council commenced the first phase of the comprehensive public realm improvement works in Altrincham, totalling over £3 million including repaving and environmental improvements to Shaws Road, Cross Street, George Street (part of), Stamford New Road and Goose Green. New partnership arrangements have been

established in Stretford, and residents and businesses have been consulted on proposals for public realm improvements. The Council also dealt with just under 250 new business enquiries and referred 170 to our business support partners.

Through direct service delivery and effective partnership working the Council has maintained performance and quality standards even at a time of significant change, increasing demand and reducing resources:-

- Trafford continues to be the safest area in Greater Manchester, with the lowest crime rate per 1000 head of population and the highest public satisfaction and confidence rates.
- Trafford is the best in Greater Manchester for processing new benefit claims.
- Action to reduce fraud has resulted in £1,100,776 of fraudulent benefit overpayments in 2014/15 being identified and 120 sanctions, including 59 prosecutions.
- Supported 100 residents into employment through the innovative Trafford Pledge, matching young unemployed people with local employers.
- Supported 87 new affordable homes to be delivered by our housing association partners in 2014/15.
- Successfully combined local and general elections in May 2015.

When the budget proposals are discussed and debated the focus tends to be on what financial savings are to be made. Whilst this is important, we should also consider what services will be carried out next year. Some of these include:

- 9,485 social care clients receiving packages of support at a cost of £49m.
- 120,000 visitors to Waterside Arts Centre, selling more than 51,000 tickets.
- Over 97% of Council Tax collected in year to support the Council's financial resources.
- Receive over 330,000 telephone enquiries per year through our customer contact service alone.
- Clean 2000 linear miles of highway channels and footways at least once every 8 weeks.
- Remove approximately 6,000 tonnes of street sweepings per month and 500 tonnes of litter from approximately 1,200 waste and litter bins (streets and parks).
- Remove approximately 1,200 tonnes of fly-tipping per year.
- Respond to more than 450 incidences of graffiti per year.
- Maintain 40 public parks covering 243 hectares, with 4 parks currently achieving Green Flag status.
- Support 30 active Friends of Parks Groups.
- Provided 69 active school-crossing patrol points in Trafford and maintain 86 children's play areas.
- Mow over 1 million square metres of grass each year across parks, sports pitches, highway verges and other open space.
- Collect domestic waste from 30,000 wheeled bins every day.
- Recycle over 60% of domestic waste making Trafford the best performing district in Greater Manchester and one of the highest performing metropolitan districts in the country; 5<sup>th</sup> of all councils.

- Supporting new development in the Borough, for example the Carrington strategic site, which has capacity for thousands of homes and new jobs.

Furthermore, the Council continues to respond to the financial and service demand challenges by focussing on developing a range of initiatives designed to reduce costs and improve services. Since the last budget the Council has:-

- Created a fully integrated Children's Service for education, health and social care.
- Received the only 'Outstanding' rating issued by OFSTED for children leaving care.
- Collaborated with Stockport, Tameside and Cheshire East on adoption services.
- Provided crisis welfare assistance for 2,063 residents, via Trafford assist.
- Worked with Stockport and Rochdale to consolidate our STAR Strategic Procurement Service.
- Worked with Greater Manchester Police (GMP) to develop a proposed collaboration and co-location for a transactional HR shared service.
- Retained Hale, Lostock and Timperley libraries through working with the private sector and community partnerships.
- Developed innovative proposals to establish a Youth Trust to ensure continued youth provision in the borough.
- Achieved significant savings in Home to School Transport whilst still meeting the needs of all eligible children and young people.
- Successfully implemented the One Trafford Partnership with AMEY.
- Launched wedding and event packages at Trafford Town Hall as part of the maximising income initiative.
- Achieved one of the country's highest ratings in an inspection carried out by HMI Probation for Trafford's Youth Offending Services.
- Secured £26k Arts Council funding to enhance the Wi-Fi in all our libraries.
- Launched Trafford Business Network with over 100 people attending from approximately 70 Trafford Park businesses.
- Stretford Public Hall sold to the friends group as part of an innovative community asset transfer.
- Launched Trafford Leisure as a new community interest company.
- Increased car parking charges without any significant impact on customer parking numbers.

The Council also continues to invest in the borough with current initiatives including:-

- Contribution to the new Trafford Park metrolink extension to the Trafford Centre.
- Four new library buildings to be provided by the end of 2017 at Altrincham, Old Trafford, Hale and Timperley.
- Working with AGMA to improve service delivery and enhance customer experience e.g. one library card.
- Shrewsbury Street, Old Trafford – £18m new community hub with extra care housing, library and health centre.
- Town Centre Loan Scheme – loans awarded to 18 new businesses supporting the creation of 70 jobs.

- Town Centres – potential investment of up to £9m identified to transform the public realm in Stretford and Altrincham; Phase1 at Altrincham completed.
- Trafford Pledge – 39 businesses signed-up to the Pledge, creating over 450 employment opportunities.

### Summary of the 2016/17 Proposed Budget

Turning to the Council's finances, since the Government's austerity programme commenced in 2010/11 the Council has approved £(59)m of efficiencies, and a further £(5.0)m is proposed for 2016/17. This is equivalent to 80% of the current Council Tax, helping to maintain service levels at times of significantly reducing resources.

Following the general election in May 2015, the Government set out its high level plans to eliminate the current budget deficit by 2020, largely through spending reductions and on 25 November 2015 announced its Comprehensive Spending Review (CSR). This confirmed the approach to be taken on Government spending as well of other funding announcements, including a new social care "precept" of 2% that could be raised from council tax to support expenditure on adult social care.

The CSR announcement was followed by the release of the Provisional Local Government Finance Settlement on 17 December 2015 which provided specific detail on the settlement for local government; information on this is included in Section 3. The financial settlement for Trafford was much worse than anticipated at the time the draft budget proposals were considered in November and has contributed to the budget gap increasing from £21.1m to £22.6m.

<b>Movement in the budget gap</b>	<b>£'000</b>
<b>Gap at draft budget stage (Nov)</b>	<b>21,087</b>
<i>Settlement Funding Assessment</i>	<i>1,787</i>
<i>Additional costs related to the Care Act no longer financed by specific grant</i>	<i>750</i>
<i>Other changes in grants following settlement</i>	<i>56</i>
Pay and National Insurance	201
Inflationary pressures and levies	(60)
Other changes in budget assumptions	(583)
Increase in council tax base	(597)
<b>Final Gap</b>	<b>22,641</b>

The updated funding gap for 2016/17 of £22.6m comprises:-

- £10.6m reduction in funding, consisting of £7.4m reduced sustainable Government funding, £4.5m reduction of one off contributions from business rates and reserves in 2015/16 offset by additional income of £(1.3)m from an estimated increase in growth from our Council Tax base.
- Inflation, increasing public expectation and demographic pressures in key services, increasing charges from levying bodies for waste disposal and some reduction in income totalling another £12.0m.

To offset the need to make additional service reductions over and above those previously consulted on it has been possible to identify additional funding of £(10.3)m to close the gap. This represents an increase of £(1.7)m, from the £(8.6)m of additional income assumed at the draft budget stage. This has been met primarily from an increase in council tax of 2% for the social care “precept” worth £(1.6)m, offset by reductions in assumed council tax freeze grant £0.9m, reduction in business rate income £0.2m and increase in the available dividend from airport dividend of £(0.2)m:-

This is one of the biggest ever contributions towards a budget gap from non-government funding:-

- £(2.8)m from business rate growth
- £(1.2)m additional projected dividend from Manchester Airport Group
- £(1.8)m one-off support from our reserves
- £(1.6)m financing related savings
- £(1.3)m additional service related income
- £(1.6)m from council tax (2% social care precept)

The net deficit is therefore £12.3m which it is proposed will be funded by:-

- Efficiency savings amounting to £5.0m, 22% of the gross deficit.
- £7.3m of policy choice savings, 32% of the gross deficit.

At this stage following comments received from the budget consultation exercise there are no changes to the draft budget proposals, albeit the specific consultation on the All Age Travel Policy is still being evaluated and £70,000 has been set aside to help with any changes. A further report on the outcome of this consultation will be reported to Executive in March 2016.

Identifying new efficiencies and income streams that can be achieved cost effectively is becoming more and more challenging and it is known the national austerity measures will not be removed for some time. For this reason the Council commenced a different approach to managing this austerity challenge over the medium term.

Under the Council’s Reshaping Trafford Programme we are planning to have a mix of different delivery models in place from 2017/18 which will mean that some services will be delivered by others rather than the Council directly. Those we continue to deliver will be monitored for quality by a much smaller Council core. Our plan is set out in the ‘blueprint’ document which is available below.

<http://www.trafford.gov.uk/budget>

The aims of the organisational model are to:

- Improve local outcomes.
- Increase local resilience.
- Generate profit to be reinvested in front line services.

- Manage demands on services through focussing on prevention and asking citizens to 'be responsible'.
- Deliver good quality services within the funding available to us.

An example of this approach is the major procurement exercise undertaken in 2015 for a number of service areas, including refuse collection, highways maintenance, street lighting, grounds maintenance, asset management and technical services. The outcome was the One Trafford Partnership with AMEY which has maintained service standards, with no job losses, and savings of £(3.5)m (over 20%).

The transformation of care services over the last 12 months has been substantial with new services developed to meet the needs of vulnerable adults more efficiently. This includes:

- Establishment of a new approach to Reablement that provides a range of options depending on individual need to complement the restructured internal service.
- A review of Learning Disability services with investment in assessment and review functions to ensure care packages meet individual needs leading to improved support at a lower cost.
- Development of an integrated commissioning service on an all-age basis to support better use of resources and improving relationships with providers.
- Testing out new ways of using assistive technology to support individuals within their own homes

The opportunities of GM Health and Social Care devolution and collaboration across the sub-region will further assist in ensuring our services are delivered on a sustainable basis in the future.

This year the Reshaping Trafford Programme has six themes which are referred to in the report:

- Maximising Income.
- Working Smarter.
- Joining up and working together.
- Buying Better.
- Promoting Independence.
- Eligibility and Access.

As part of the budget consultation these themes were discussed with the general public and feedback has helped inform and shape the budget proposals contained in this report.

A range of options relating to service redesign are being explored and these will be shared as part of an informal consultation process; formal consultation on potential workforce reductions will not commence until such time as these options have been appraised and the Council is in a position to engage in detailed and meaningful consultation with the recognised trade unions.

## **Summary**

To ensure a balanced budget, the budget for 2016/17 will reduce by £1.6m, from £148.914m to £147.320m. In order to meet the funding gap of £22.6m it has been necessary to find service savings of £12.3m and additional income of £10.3m.

## 1. REVIEW OF BUDGET 2015/16

- 1.1 Before making decisions on the 2016/17 budget it is appropriate to consider budgetary performance in the current year.
- 1.2 At this stage of the financial year (period 9 - December) it is forecast that the net revenue budget for 2015/16 of £148.9m will be underspent by £(3.8)m including a favourable position against the £21.6m savings target meaning that the Council is on a stable foundation for constructing its budget for 2016/17.

<b>Table 1:2015/16 Revenue Outturn Projection</b>	<b>Budget 2015/16</b>	<b>Estimated Outturn 2015/16</b>	<b>Variance 2015/16</b>
<b>Service Area</b>	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>
CFW – Children's Services	28,095	29,248	1,153
CFW – Adult Social Services	48,813	46,571	(2,242)
CFW – Public Health	(867)	(867)	0
Economic Growth, Environment & Infrastructure	32,176	31,618	(558)
Transformation & Resources	17,028	16,386	(648)
<b>Total Service Variances</b>	<b>125,245</b>	<b>122,950</b>	<b>(2,295)</b>
Council-wide budgets	23,669	22,141	(1,528)
<b>Estimated outturn variance</b>	<b>148,914</b>	<b>145,091</b>	<b>(3,823)</b>

- 1.3 The revenue budget monitoring position is reported to the Executive on a monthly basis and the information gained from close monitoring allows for a more robust strategic view to be made when determining future years' budgets. The current in-year variation is made up of a number of items which are summarised below and this information has been used in determining the budget proposals for 2016/17:-

- Additional costs of children's care packages £1.4m;
- Adult care packages £(0.5)m;
- Rephased base budget savings £0.3m;
- Vacancy management savings £(2.3)m;
- Running cost savings £(0.9)m;
- Additional income from business rates and other grants £(0.5)m
- Additional dividends from Manchester Airport Group £(0.8)m (after contribution of £1.2m to earmarked reserves to support the 2016/17 budget);
- Saving on general contingency £(0.5)m
- Change in accounting policy relating to Minimum Revenue Provision (repayment of debt) allowing £1.2m to be transferred to reserves to assist with the medium term financial plan.

- 1.4 The budget included £21.6m of savings and as at period 9 a forecast overachievement is expected of £(0.2)m.



## 2. BUDGET PROCESS 2016/17

- 2.1 The draft budget for 2016/17 was agreed by the Executive on 16 November 2015 for consultation purposes. This report explained the pressures on the budget which culminated in an overall funding gap of £21.1m and what the approach to balancing the budget had been. The “One Council” approach of taking a cross directorate view of savings identified a number of key themes that savings were categorised into:-
- **Maximising Income** – maximising income from our services, encouraging growth in housing and business in the borough, generating income from assets.
  - **Working Smarter** – looking at the way things are done such as redesign of the workforce.
  - **Buying Better** – working with our partners and suppliers to ensure we get best value for our expenditure.
  - **Eligibility and Access** – continuing to review current care packages and apply to all new applications the reshaping social care policy utilising equipment, assistive technology and adaptations.
  - **Joining Up and Working Together** – looking at how we deliver community health and social care services for adults in Trafford.
  - **Promoting Independence** – helping people to help themselves, through our care strategy.
- 2.2 The first of these was a key theme in that the more income that could be generated the lower the level of service savings and a total of £8.6m was identified from this theme. The remaining savings to contribute to the balanced budget position were identified from a mix of efficiencies and policy choices totalling £12.5m.
- 2.3 This update since the publication of the Draft Budget details the budget process and includes:-
- Budget Consultation
  - Staff Consultation
  - Scrutiny
  - Equality Impact Assessment
- 2.4 An update on the local government finance settlement, announced after the draft budget was published, and on the robustness process are included in Sections 3 and 5 respectively.
- 2.5 This has had an impact on the draft budget position with the budget gap increasing by £2.1m to £23.2m, mainly due to the impact of the financial settlement being worse than anticipated. This is detailed in Section 3, with Section 4 explaining how this increased gap is to be financed.

## Budget Consultation

- 2.6 As part of the budget consultation a two stage themed approach was undertaken from September to December 2015, assisted by an independent organisation, to engage with all interested parties and stakeholders on the budget process.
- 2.7 In addition to the six themes, participants' views were also sought on the issue of raising Council Tax and ideas on the running of Council services, income generation etc.
- 2.8 Key budget messages were delivered through the following communications channels:
- Reminders and updates on the staff intranet page.
  - A dedicated website 'Trafford Council Budget 2016/17' open to all residents and interested parties was available for both phases. This included information on the proposals, and a link to allow a questionnaire on residents views to be completed and to be able to leave feedback.
  - An information booklet branded as 'Join the conversation' giving details of the proposals, and inviting feedback via the questionnaire, feedback cards or email.
  - A short film setting the context of the budget challenge facing the Council. This was shown at public consultation meetings and was also available to view on the dedicated website.
  - A PowerPoint display at each event and also made available for use with partners giving details of the proposals.
  - 15 open public forum meetings held across the borough and at a wide range of days and times to maximise the opportunities for residents to attend.
  - A 'Business Breakfast' event to engage with the business community which was held on 19 November 2015.
  - Staff briefings and a Reshaping Trafford Council Newsletter.
- 2.9 Specific consultation with service users was also undertaken on aspects of the budget proposals in the Children Families and Wellbeing directorate included the Pathways service and All Age Travel Assistance Policy; this latter consultation ended on 2 February 2016 and a further report on the final outcomes of this will be presented to Executive in March 2016. The proposals included in this report would mean the savings target for Travel Assistance has been reduced by £70k.
- 2.10 A full report on the findings from the budget consultation exercise are included in a separate report elsewhere on this agenda but at this stage the feedback from the consultation is not expected to impact on the savings proposals included in the draft budget report, with the exception of the All Age Travel Assistance policy where the consultation has just closed and which will be considered by the Executive in March. If the Executive wishes to make decisions at that time which vary from the planning assumptions made in this report it can do so by carrying out virement (transfers) from other budget heads or by short term use of reserves.

- 2.11 With regard to Council Tax there were mixed views on a general increase but there was general support for a rise in council tax in respect of the new 2% increase to be used to support adult social care.

### **Equality Impact Assessments**

- 2.12 Under the Equality Act 2010 a public authority in the exercise of its functions must have due regard to the need to eliminate discrimination, harassment, victimisation and any relevant prohibited conduct, advance equality of opportunity between persons sharing a relevant prohibited characteristic and persons who do not; and foster good relations between persons sharing a relevant prohibited characteristic and persons who do not.
- 2.13 Protected characteristics for the purpose of the Act are disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 2.14 In order to assist the evaluation of the budget proposals and to ensure that the Council paid due regard to its duties under the Equality Act, a number of Equality Impact Assessments (EIAs) were carried out as part of the evaluation process to ensure that due consideration was given to those with the protected characteristics and the likely impact of the proposals on each of these groups.
- 2.15 The EIAs were available to officers evaluating the consultation responses and are included as part of the budget consultation outcomes report elsewhere on the agenda. Any potential impacts have been identified through the EIA and consultation process. Where any potential impact has been identified consideration has been given to whether measures can be taken to mitigate against these impacts and the mitigation measures are set out within the body of the relevant EIA or are reflected, where appropriate, in modifications to the proposals.
- 2.16 The EIAs are not finalised until the end of the budget process because the feedback from any consultations held, which may relate to the equality impact on a group or groups with a protected characteristic, has to be considered in the final decision-making process. The considerations relating to equalities may be significant enough to influence the final decision and shaping of the business proposal. To pre-empt this by completing the EIA earlier, could lead to a judicial review.
- 2.17 The Executive is required to have regard to the Public Sector Equality Duty and in order to satisfy this duty the Executive must consider the potential impacts identified in the EIA's and the consultation feedback which are included in the budget consultation report.

### **Scrutiny Review**

- 2.18 The Leader of the Council gave a presentation to the Scrutiny Committee on 18 November 2015 setting out the proposals in the draft budget for 2016/17. Two Scrutiny Task and Finish Groups were then held during December with relevant Executive Members and senior officers attending to give background to the themed proposals and answer questions.

2.19 The report on the findings of Scrutiny was submitted and considered by the Executive on 25 January 2016. There were key messages on some broad issues which included:-

- Savings Projections and Assumptions
- Risk Management
- Equality Impact Assessments

The Scrutiny Committee has committed to keep the budget under review during the year by building the inclusion of the following themes into their work programme for 2016/17:-

- Maximising Income
- Working Smarter
- Buying Better
- Eligibility and Access
- Joining Up and Working Together
- Promoting Independence

The full report from Scrutiny was reported to Executive on 25 January 2016. The Executive's response to the Scrutiny recommendations can be found elsewhere on the agenda and Members are requested to treat that report as part of the overall budget bundle for the purposes of decision making.

### **Staff Consultation – Terms and Conditions**

2.20 For the period 2016/17, formal consultation has taken place with respect to a proposal to extend the existing mandatory three days unpaid leave scheme. The period of statutory consultation was aligned to the main consultation on the budget; it commenced on 5 November 2015, with the issue of a S.188 notice to the recognised trade unions and concluded on 19 December 2015.

2.21 During this period, there were four formal collective consultation meetings involving Elected Members, Senior Managers and trade union officials. The purpose of these meetings was to discuss the proposal, receive feedback and try to reach a collective agreement. A more detailed report on the outcomes of this consultation can be found on the agenda for the Employment Committee dated 18 January 2016.

2.22 Running parallel with the collective consultation process, the Council also engaged directly with employees on an individual basis. Individual letters were issued to all staff, communications were posted on the intranet via the 6-boxes, information was cascaded via the weekly update and a survey was also undertaken. The aim of this individual consultation was to seek feedback from staff on the proposal and also to obtain voluntary sign up to the extension, where possible. Taking account of the feedback received, the proposal is that the scheme will be extended for one further year, until 31 March 2017. This will also include the provision for a voluntary additional unpaid leave arrangement, with costs to employees being spread over a 12 month period.

2.23 At this stage the impact of the overall budget process on jobs is not clear as the transformation projects across the Children Families and Wellbeing directorate are still in progress. Where there are any proposed changes or reductions, full consultation will take place with trade unions and the workforce.

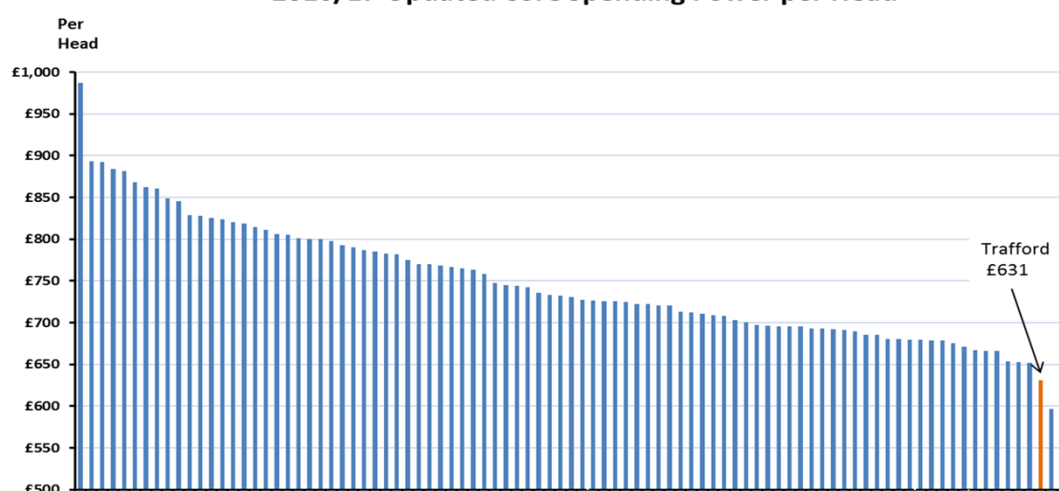
### **3. LOCAL GOVERNMENT FINANCE SETTLEMENT 2016/20**

- 3.1 The provisional local government finance settlement was announced on 17 December 2015 and set out the distribution of funding to local authorities for 2016/17 and indicative allocations through to 2019/20. The settlement is important because it provides approximately 43% of the total resources to support the Council's net budget and is paid in the form of Revenue Support Grant and a (relatively small) proportion of Business Rates collected by the Council.
- 3.2 In the preparation and publication of the Council's draft budget in November 2015 a forecast of the grant settlement had to be made. In reality the settlement announced in December 2015 resulted in a greater reduction in grant than had been forecast. A full explanation is given in Annex B, with a summary given below.
- 3.3 In an unexpected departure from the previous Government's approach, the assessment of grant reductions took into account the resource available to each council from council tax. This is a dis-benefit to authorities like Trafford which have a higher proportion of their budgets funded from council tax. In assessing resources available to each authority the Government took into account:
- Revenue Support Grant (RSG);
  - Retained Business Rates (in Trafford's case this is approx. 20% of what is collected each year);
  - New Homes Bonus;
  - Grant due to be paid from the new Improved Better Care Fund;
  - other minor grants (not relevant to Trafford).

Collectively this is known as Core Spending Power.

- 3.4 In the Council's response to the provisional settlement a request for transitional support was made to assist with the impact of this change in grant assessment. In the final settlement announced on 8 February 2016 a transition grant to assist councils adversely affected worth £150m payable in each of the years 2016/17 and 2017/18 has been made available.
- 3.5 The chart below shows Core Spending Power per head of population for each of the 91 metropolitan and unitary authorities in England for 2016/17:

**Metropolitan Districts and Unitary Authorities  
2016/17 Updated Core Spending Power per Head**



3.6 Core Spending Power in 2016/17 will reduce by £4.9m in Trafford. This is done by reducing the amount of Revenue Support Grant. Comparisons of RSG reductions in Greater Manchester are shown below:

<b>Table 2:RSG Analysis</b>	<b>Adjusted 2015/16 £m</b>	<b>2016/17 £m</b>	<b>2019/20 £m</b>	<b>Change to 2016/17</b>	<b>Change to 2019/20</b>
<b>England</b>	<b>9,926.8</b>	<b>7,183.9</b>	<b>2,131.1</b>	<b>-24.5%</b>	<b>-77.6%</b>
<b>Greater Manchester :</b>					
Bolton	56.0	42.0	15.8	-25.0%	-71.8%
Bury	31.0	22.3	6.2	-28.1%	-80.0%
Manchester	142.8	113.7	57.0	-20.4%	-60.1%
Oldham	53.2	40.5	16.7	-23.9%	-68.6%
Rochdale	51.1	39.3	17.0	-23.1%	-66.7%
Salford	60.6	46.8	20.5	-22.8%	-66.2%
Stockport	42.4	28.3	3.2	-33.3%	-92.5%
Tameside	45.8	34.5	13.2	-24.7%	-71.2%
Trafford	32.8	23.0*	5.3	-29.9%	-83.8%
Wigan	59.2	44.0	15.8	-25.7%	-73.3%
<b>GM Total</b>	<b>574.9</b>	<b>434.4</b>	<b>170.7</b>	<b>-24.4%</b>	<b>-70.3%</b>

(\*) Excludes Transition Grant of £0.465m in 2016/17

Grant reductions on this scale were not envisaged when the forecasts were made for the November 2015 draft budget. Also an assumption was made that a further year's council tax freeze grant would be available for 2016/17.

- 3.7 Overall the grant settlement is £3.5m lower than expected at draft budget stage.

<b>Table 3: Settlement Impact on the Council 2016/17</b>	<b>£m</b>	
Revenue Support Grant	1.4	See Para 3.5 above
Retained Business Rates	0.4	BR Multiplier reduced from 2% to 0.833%
Care Act on-going costs	0.8	
No freeze grant in 2016/17	0.9	
Transition Grant	(0.5)	
Other specific grant changes	0.5	Public Health, Education Services Grant and New Homes Bonus
	<b>3.5</b>	

- 3.8 This grant loss has been taken into account in the final proposals put forward in the recommended budget for the coming year.
- 3.9 As part of the grant settlement announcement indicative resource levels were also illustrated for the following three financial years through to 2019/20. Further details on the grant settlement are given in Annex B and in the medium term outlook in section 7 of this report.



#### 4. PROPOSED BUDGET 2016/17

4.1 This section identifies:-

- the overall gap for 2016/17 and explains the changes since the draft budget was published in November 2015;
- how the gap will be met;
- the proposed budget for 2016/17.

##### a) Updated Budget Gap 2016/17

4.2 The Council's estimated funding gap has increased by £1.5m since the draft budget, from £21.1m to £22.6m and is summarised in the table below:

<b>Table 4: Indicative Budget Forecasts 2016/17</b>	<b>2016/17 November Draft Budget £'000</b>	<b>2016/17 Recommended Budget £'000</b>
<b>Net Revenue Budget from 2015/16</b>	<b>148,914</b>	<b>148,914</b>
Cost Pressures:-		
Inflationary: non-staff	2,766	2,948
Levies	817	757
Pay Related	3,198	3,399
Demographic	3,072	3,822
Other	1,270	1,026
<b>Total Cost Pressures (See Para 4.4/4.5)</b>	<b>11,123</b>	<b>11,952</b>
<b>2015/16 Budget plus cost pressures</b>	<b>160,037</b>	<b>160,866</b>
Original Estimated Funding:-		
Council Tax	(81,017)	(81,614)
Revenue Support Grant (RSG)	(24,390)(*)	(22,989)
Redistributed Business Rates	(33,715)	(33,329)
Business Rate Growth	(77)	(77)
Other Funding	249	(216)
<b>Total Funding</b>	<b>(138,950)</b>	<b>(138,225)</b>
<b>Budget Gap</b>	<b>21,087</b>	<b>22,641</b>

(\*) Adjusted to include £(0.903)m of assumed council tax freeze grant previously classified as "Other Funding" at draft budget stage.

4.3 The updated funding gap for 2016/17 is £22.6m and comprises:-

- £10.6m reduction in funding, consisting of £7.4m reduced sustainable Government funding, £4.5m reduction of one off contributions from business rates and reserves in 2015/16 offset by additional income of £(1.3)m from an estimated increase in growth from our Council Tax base (See Para 4.7 – 4.10).

- Inflation, increasing public expectation and demographic pressures in key services, increasing charges from levying bodies for waste disposal and some reduction in income, giving an overall increase in costs of £12.0m.

### **Budget Pressures and Additional Investment**

4.4 The cost pressures and additional investment (see para 4.5) amount to £12.0 million which is 8.1% of the net budget. The main features are detailed below with further information on budget assumptions shown in Annex A:

- Pay: includes provision for a 1% pay award; 0.7% increase in employer's pension rate; abolition of the national insurance contracted out rebate; auto-enrolment into the pension scheme.
- Inflation: relates to non-staffing budgets and includes a general allowance of 2%; provision for the New Living Wage; other contractual inflation.
- Levies: allowances for increases in waste disposal, Combined Authority (incl. transport), Environment Agency (flood defence) and Coroner's service.
- Demography: allowance for increasing number of adults (£0.8m) and increasing number and cost of looked after children (£2.2m).
- Other: includes for an allowance for non-delivery of a small number of savings from 2015/16 and minor contingency items.

4.5 Whilst a focus will understandably be more on the proposed savings that have to be made it is worth pausing to consider some of the investments included in this budget which total approximately £6.7m:-

- Care services for children and adults will see additional resources of £3.1m for demography and cost increases. This includes £2.2m for children and £0.8m for adults.
- In addition an allowance of £2.4m has been made for the cost of the new Living Wage, which is likely to affect the care market particularly.
- Additional investment related to the duties continuing from the Care Act £0.8m
- An increase in the rate of pay for apprentices working for the Council £0.087m.
- A new dedicated fraud team at a cost £0.170m which will be entirely self-financing.
- Reinstatement of £70k for Home to School Transport.
- Youth Centre Provision at Sale West and Old Trafford £75k.

### **Updated Budget Gap**

4.6 The increase in the gap since the draft budget proposals were reported to Executive in November 2015 of £1.5m mainly stem from the outcome of the local government finance settlement, detailed in Section 3, which left the Council in a much worse financial position than predicted and this is shown below. Whilst the overall reduction in funding arising from the Settlement was £3.5m (see Para 3.7) the amount contributing to the budget gap is £2.6m shown in italics in the following table. An amount of £0.9m in respect of the assumed level of freeze grant is referred to in Para 4.12.

<b>Table 5: Movement in the budget gap</b>	<b>£'000</b>
<b>Gap at draft budget stage (Nov)</b>	<b>21,087</b>
<i>Settlement Funding Assessment</i>	1,787
<i>Additional costs related to the Care Act no longer financed by specific grant</i>	750
<i>Other changes in grants following settlement</i>	56
Pay and National Insurance	201
Inflationary pressures and levies	(60)
Other changes in budget assumptions	(583)
Increase in council tax base	(597)
<b>Final Gap</b>	<b>22,641</b>

4.7 A more detailed analysis of movements since the draft budget shown in Annex C and include:-

- Updated pay cost following the announcement of the 2016/17 pay award on 9 December 2015 and a revision to the additional costs of national insurance of £0.201m
- A reduction in the cost of the waste disposal and passenger transport levies of £(0.060)m
- A number of updated budget assumptions saving £(0.583m) including:-
  - Reduction in the general contingency for delayed saving as a £(0.400)m
  - Removal of the performance element of the Better Care Fund £(0.400m)
  - Additional investment to support the running cost associated with new IT systems £0.165m
  - Various other changes £0.052m

4.8 Monitoring reports have shown how council tax income has remained buoyant in recent years. Not only is this due to the success of the local economy, with less having to be paid in council tax support, but also the Council now has a proactive approach in assisting housing developers with their planning applications including linking them into funding sources to improve the prospect of delivery. Also investment in public realm is expected to have the twin benefits of attracting more business whilst also making our town centres attractive places to live. Of course strong collection performance together with initiatives such as the single person discount review and proactive interventions in council tax support help maximise this important source of funding.

4.9 Taking this into consideration The Director of Finance, in accordance with his delegated powers, has approved a taxbase of 73,844 Band D properties for 2016/17, an increase of 1,175 from 2015/16. The forward plans have an expectation of £0.400 million growth in council tax each year but in 2016/17 we are able to increase that by a further £0.897 million, *an increase of £0.597m from the draft budget stage.*

## Summary

- 4.10 The overall budget gap for 2016/17 has increased to £22.6m since the draft budget; an increase of £1.5m. This has been explained by the poorer financial settlement £2.6m (figures excludes the impact of no council tax freeze grant), other changes to budget assumptions £(0.5)m, offset by a further increase in the council tax base of £(0.6)m.

### b) Meeting the budget gap

- 4.11 The themed approach to the budget for 2016/17, detailed in the draft budget report, is to maximise income streams in preference to making reductions to services and this approach has been followed to address the increase in the funding gap. Total additional resources of £10.3m have been identified to contribute to the gap (46% of the gap), being an increase of £1.7m which is sufficient to bridge the deficit without the need to make additional savings.

- 4.12 The income initiatives are summarised below:-

➤ **Business Rates** – The Council is now seeing a relatively buoyant rateable value base, including the expected opening of the first of two new power stations in Carrington and a new supermarket in Broadheath. The ability to attract and retain businesses is not an overnight initiative but is the result of a range of factors, including the Council ‘being open for business’, making the borough an attractive place for businesses and their employees, and having in place an excellent education system. The budget plans assumes £2.8 million will be available from business rate retention to support the budget, including continuation of the shared pool arrangements within AGMA. *This is a reduction of £0.2m since the draft budget due to a part rephasing of expected additional receipts in respect the new power station in Carrington.* More details on the additional business rates is shown in Annex F.

➤ **Council Tax** – The Government has announced the referendum rules for the forthcoming year which Members need to be aware of. Councils will be able to increase council tax by 2% to help pay for adult social care costs (known as the social care precept) and a general increase of a further 1.99% without breaching the referendum threshold. The Council has frozen the tax level over the last five years but in order to provide income to support vital Council services it is now necessary to raise council tax, particularly as no freeze grant is available for 2016/17. Section 3 of the report also makes reference to the difficult financial settlement Trafford received in December 2015 for 2016/17 and forthcoming years and therefore in order to address some of the additional pressures in expenditure in 2016/17 it is proposed to introduce the social care “precept” to contribute to some of the expenditure demands in adult social care. This will generate total income of £1.630m.

*This represents an increase in income of £0.7m after allowing for the non-availability of a council tax freeze grant that was assumed in the November draft budget.*

- **Airport Dividend** – following the restructuring of the Manchester Airport Group (MAG), which required the Council’s approval, its trading performance has improved and dividends have increased. An interim dividend was announced in December 2015 of £1.245m, *and this will be used to support the 2016/17 and later year’s budget; representing an increase of £0.245m from the draft budget*
- We have also looked at some of our existing financing arrangements. A report was presented to Council in January to consider how quickly to pay off our loan debt. The agreed policy has released over £1 million in revenue resources. In addition, part of the interest we receive from the equity loan with MAG is set aside as a provision to guard against potential default on this long dated loan. The Airport is in a healthy financial position and it is proposed that the annual provision is no longer made, thereby freeing up £0.288 million of revenue resource. The review of MRP and other adjustments to the treasury management budgets will save £1.607m in 2016/17 and later years, *an increase of £0.180m from the draft budget.*
- The Executive is minded to recommend that the Council supports the 2016/17 budget with a £1.85 million contribution from reserves, *an increase of £0.85m from the draft budget.* This is a one-off source of income and is commented on in the Director of Finance’s robustness statement in Section 5.
- A number of other income streams worth £1.219m are also included within the services annexes and comprise:-
  - Altair Rent £(0.130)m
  - Airport Rent £(0.012)m
  - Stretford Mall Rent £(0.030)m
  - Parking Income £(0.183)m
  - Income from Carrington Power Plant £(0.038)m
  - Planning Income £(0.100)m
  - Growth Team Income £(0.092)m
  - Advertising Income £(0.300)m
  - Waterside Arts Centre £(0.050)m
  - Bereavement Services Income £(0.030)m
  - Trading Services for Education £(0.200)m
  - Town Team Office, Altrincham – External Let £(0.020)m
  - Other Income (Communications and HR) £(0.034)m

4.13 However the income streams detailed above, on their own, could not address the full resource shortfall and savings within services will have to be made of £12.305m as summarised below. This comprises of efficiency savings of £5.045m (22% of target), leaving a balance of £7.260m to be met from policy choices which is equivalent to only 32% of the overall target.

<b>Table 6: Reduction in Shortfall from Income Generation &amp; Financing</b>	<b>November Draft Budget</b>	<b>Recommended Budget</b>
	<b>£'000</b>	<b>£'000</b>
Original Gap	<b>22,370</b>	<b>24,521</b>
Less New Homes Bonus	(583)	(583)
Less Council tax base increase	(700)	(1,297)
Budget Gap	<b>21,087</b>	<b>22,641</b>
<b>Additional Resources from Income Generation and Financing (not already assumed in figures)</b>		
Business Rates (*)	(3,000)	(2,784)
Council Tax Increase	-	(1,630)
Council Tax Freeze Grant	(0.900)	-
Maximising Income – Airport Share Dividend	(1,000)	(1,245)
Financing Related Savings	(1,427)	(1,607)
One off use of General Reserve	(1,000)	(1,851)
Maximising Income - Other	(1,299)	(1,219)
<b>Total Additional Resources</b>	<b>(8,626)</b>	<b>(10,336)</b>
<b>Total Remaining Budget Gap</b>	<b>12,461</b>	<b>12,305</b>

(\*) this represents growth in business rates (See Annex F) and is after payment of the government levy held within the Council-wide budget.

- 4.14 Since the draft budget in November the remaining gap to be met by savings has been reduced by £156k in 2016/17. These are as follows:-

- LED street lighting – an element of saving has been rephased to 2017/18 to reflect the latest implementation plan for the scheme - £140k
- Home to School Transport – reduction to savings target £70k
- The savings related to Ascot House and All Age Integration have been reviewed as part of the robustness process and whilst these savings are expected to be achieved in total an element will require rephasing to 2017/18. To compensate, savings relating to the reshaping of care packages have been increased by £650k reflecting the better than anticipated performance in 2015/16.
- Reclassification of savings in adult social care and exchequer services from income to efficiency savings £(80)k
- The ending of the subsidised car lease scheme and adjustment to the budget for Members allowances £(111k)
- Realignment to Early Help delivery model savings £137k, offset by corresponding reduction in pressures.

4.15 Efficiencies and policy choice savings amount to £12.305m out of the gross budget shortfall of £24.521m and are required to be found from the “One Council” approach; the amount that each theme is expected to contribute is in the table below. Further details are included in annexes to this report.

4.16 Full details of all savings are listed and discussed in more detail within the service narratives which can be found at Annexes J to M. Detailed Schedules of Savings for each service area can be found on the following pages:

- Children, Families and Wellbeing – Pages 74 to 91.
- Economic Growth, Environment and Infrastructure – Pages 92 to 98.
- Transformation and Resources – Pages 99 to 106.
- Council-wide – Page 107 to 113.

4.17 The schedules are included in the usual directorate format. The table below shows how the “One Council” themes are included in each directorate’s budget proposals. Both objective and subjective analyses of the proposed 2016/17 budget are shown at Annexes G and H.

<b>Table 7: Savings proposals by theme</b>	<b>CFW</b>	<b>EGEI</b>	<b>T&amp;R</b>	<b>C-W</b>	<b>Total</b>
<b>One Council Theme</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Buying Better	(1,830)	(1,571)			(3,401)
Working Smarter	(380)	(115)	(441)	(56)	(992)
Eligibility & Access	(4,755)				(4,755)
Joining up and working together	(300)				(300)
Promoting Independence	(2,270)				(2,270)
Terms and Conditions	(264)	(106)	(162)	(55)	(587)
<b>Total</b>	<b>(9,799)</b>	<b>(1,792)</b>	<b>(603)</b>	<b>(111)</b>	<b>(12,305)</b>

## Summary

4.18 This section has explained how the updated budget gap of £22.6m has been met by a combination of new income streams and financing of £10.3m, representing an increase from draft budget of £1.7m (para 4.11- 4.13). The balance of £12.3m has been met from efficiency savings of £5.0m and £7.3m to be met from policy choice savings.

**c) Proposed Budget 2016/17**

4.19 The size of the overall budget is determined by the level of funding available and this includes three main sources, council tax, revenue support grant and a share of business rate income. The overall resources available to support the 2016/17 budget have fallen from £(148.914)m in 2015/16 to £(147.320)m, a reduction of £1.594 or 1.1% and a breakdown of this is as follows:-

<b>Table 9: Comparison of Resources Available</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>Change £m</b>
Settlement Funding Assessment	(63.700)	(56.318)	7.382
Council Tax	(80.316)	(81.613)	(1.297)
Council Tax – Social Care Precept	-	(1.634)	(1.634)
Council Tax Surplus	(0.300)	(0.300)	-
Retained Business Rates	(3.598)	(5.605)	(2.007)
Reserves	(1.000)	(1.850)	(850)
<b>Total</b>	<b>(148.914)</b>	<b>(147.320)</b>	<b>1,594</b>

4.20 The draft budget presented to Executive in November 2015 has been reviewed and updated to take account of any new cost pressures, issues raised during the public consultation, the update of the local government finance settlement and other funding changes (See Section 3), scrutiny and a review of robustness. It must be noted that at this stage further decisions are still to be made on areas of the budget still subject to on-going consultation which could have an impact on the 2016/17 budget, with final decisions to be taken by the Executive in March on the All Age Travel Policy.

4.21 The total proposed budget for 2016/17 is £147.320m and reflects a reduction of £1.594m compared to 2015/16. It includes for £22.6m of cost reductions and new income. These are detailed in the service narratives in Annex J to M and reflect an increase of £1.5m since the draft budget. A further objective and subjective presentation of the budget is shown in Annex G and H.





## **5. RISK AND ROBUSTNESS**

- 5.1 It is a requirement of the Local Government Act 2003 for the Council's Chief Finance Officer to give an opinion as to the robustness of the budget proposals (s25) and the adequacy of reserves (s26). These opinions are provided to Members to assist in their determination as to whether the proposed budget is sufficient to meet the needs of the Council.
- 5.2 Members' attention is drawn to the statement by the Director of Finance attached at Annex I, which should be taken into account before approving the budget together with the comments made in paras 5.4 - 5.7 below. The year ahead presents a number of financial challenges, and in particular there are areas of uncertainty for which mitigating action is included in the budget and/or reserves, if required;
- The scale of savings required, in particular the CFW directorate, continues to be demanding on the capacity of managers and staff;
  - The Council could face legal challenge in the decisions it makes, and whilst every effort has been made to guard against the likelihood of successful challenge, the costs of defending any such proceedings could be significant;
  - The uncertainty that exists on demand led services;
  - There is significant reliance on business rates growth to support its spending plans particularly the new power plant based in Carrington and there are still a large volume of unsettled business rate appeals where the Council carries a major risk, albeit a provision has been included in the accounts. In addition NHS Trusts have recently made a case for mandatory relief on the grounds they are classed as a charitable trust. This is a national issue that is being considered but if they were successful would have significant adverse financial implications for the Council.
  - There are still decisions outstanding nationally on a number of grant allocations, including the distribution of public health grant.
  - There are ongoing consultations on the new homes bonus grant and anticipated consultations on school funding and the Education Services Grant although unlikely to have any adverse impact in 2016/17.
- 5.3 An overall assessment of the current budget, future budget proposals, costings, activity forecasts, savings plans and base budget assumptions identifies that whilst there are risks, the overall budget provisions should be sufficient to meet the Council's legal responsibilities and other obligations. A review of risks, mitigations, and contingencies has been undertaken alongside a review of reserves and provisions.

### **Council Tax and Use of Reserves**

- 5.4 In determining the budget for the forthcoming year there are important decisions about Council Tax and also the use of reserves. In the latest grant

settlement the Government has set out indicative grant levels for each local authority through to 2019/20. Whilst we may have concern about the size of those indicative settlements they are nevertheless useful in understanding how decisions taken for 2016/17 impact on the Council's medium term financial position.

- 5.5 Also in the grant settlement it was announced that social service authorities will be able to increase their council tax by 2% per annum, to be used exclusively towards adult social care costs, plus a general increase of 1.99% for all services without the need to hold a referendum.
- 5.6 The planned use of £1.85 million of general reserves to support the budget is a one-off source of funding and therefore the resource gap in 2017/18 will increase by this figure. As an alternative Members could increase the general council tax by up to 1.99% which would raise £1.63 million as a recurring source of income. If the Council does not use this flexibility in full in 2016/17 it will be unable to carry forward into the following year any of the unused flexibility.
- 5.7 Of course local authorities have the discretion whether to increase council tax at all. In making their decision on Council Tax, Members must be satisfied that they have reached the correct balance between ensuring the Council has sufficient resources to carry out its statutory duties (not just in 2016/17 but also in the medium term) and the impact of Council Tax on residents.

## 6. RESERVES

### Reserves Overview

- 6.1 The Council has both cash-backed and non-cash backed reserves. Non-cash backed reserves are created for statutory accounting purposes only and they do not represent resources available for use by the Council. Cash back reserves are monies set aside for a future possible event that is either planned or dependent upon potential future circumstances. Each reserve is subsequently used to mitigate the impact on the base budget should certain eventualities happen, such as insurance claims and severance costs to staff as the Council downsizes.
- 6.2 Total Council reserves at 1st April 2015 were £(72.6)m, of which: £(30.2)m was committed to finance the capital programme; £(10.7)m belonged to schools; £(7.6)m related to accounting adjustments largely relating to the Business Rates scheme. This leaves a balance of £(24.1)m split between specific revenue earmarked reserves of £(16.2)m and the General Reserve of £(7.9)m.
- 6.3 The net use of earmarked revenue reserves is forecast to be £0.652m during 2015/16 with a further £4.730m utilised in 2016/17 as detailed in the table below.

<b>Table 10: Reserve Statement (estimated as at February 2016)</b>	<b>Actual Balance as at 1 Apr 2015 (£000's)</b>	<b>Estimated Transfers (in)/out 2015/16 (£000's)</b>	<b>Estimated Balance As at 31 March 2016 (£000's)</b>	<b>Estimated Transfers (in)/out 2016/17 (£000's)</b>	<b>Estimated Balance As at 31 March 2017 (£000's)</b>
<b>Non-Schools Earmarked Reserves:</b>					
Insurance	(3,070)	172	(2,898)	101	(2,797)
Revenue Projects	(3,130)	2,067	(1,063)	293	(770)
Employee Rationalisation	(3,105)	1,515	(1,590)	408	(1,182)
Transformation Reserve (including CFW Reserve)	(1,322)	712	(610)	610	0
Services' Reserves	(3,944)	307	(3,637)	600	(3,037)
Smoothing Reserves	(1,638)	(809)	(2,447)	(377)	(2,824)
Budget Support Reserves	0	(3,333)	(3,333)	1,245	(2,088)
<b>Total Non School Earmarked</b>	<b>(16,209)</b>	<b>631</b>	<b>(15,578)</b>	<b>2,880</b>	<b>(12,698)</b>
<b>General Reserve</b>	<b>(7,871)</b>	<b>21</b>	<b>(7,850)</b>	<b>1,850</b>	<b>(6,000)</b>
<b>Total of non-School Revenue Reserves</b>	<b>(24,080)</b>	<b>652</b>	<b>(23,428)</b>	<b>4,730</b>	<b>(18,698)</b>

- 6.4 Reserves are reviewed throughout the year, but particularly at the time of establishing the budget and closing down the accounts at the end of the year. The review of reserves has been carried out and included in the table above, the significant changes worthy of noting are summarised below.

### 6.5 General Reserve

The Council is required by law to maintain a minimum level of reserves to meet unexpected or emergency expenditure. Details of the main assumptions made in establishing this balance are covered in Annex I and based on these

assumptions the Director of Finance is advising the Council to set a minimum level of £6m for the General Reserve as assessed in the following table. The overall risk has been reduced by 30% to reflect that all risks are unlikely to occur at the same time.

<b>Table 11: Advised minimum level of General Reserve</b>	<b>2016/17 £m</b>
Tax & Treasury Management	0.30
Pay & inflation	1.68
Fees and Charges	0.10
Emergency & Disaster Recovery	1.02
Efficiencies	1.63
Demand led budgets	1.94
Other Pressures	0.33
General Fund Financing	1.50
<b>TOTAL</b>	<b>8.50</b>
<b>Risk reduction of 30%</b>	<b>(2.55)</b>
<b>Advisory level of minimum reserve</b>	<b>5.95</b>
<b>Advisory level of minimum reserve (rounded)</b>	<b>6.00</b>

- 6.6 Due to the good budgetary performance of the Council, and the release of £(1.151)m from the 2015/16 budget as a result of the Council's review of the MRP Policy, this had allowed a margin to accumulate above the minimum £6m in the General Reserve and transfer a one off amount of £1.500m to a newly established Budget Support Reserve (see para 6.9 below). Furthermore, the Manchester Airport Group (MAG) recently announced their interim results for 2015/16 and have paid an interim dividend of £(1.245)m to the Council. At year end this will roll forward into a specific earmarked reserve which is planned to be released as a one off contribution to the 2016/17 budget.

Based on the latest available 2015/16 revenue budget monitoring information, and the items mentioned above the expected balance on the General Reserve as at 1 April 2016 and the uncommitted balances for future years is as follows:

<b>Table 12: Forecast General Reserve level</b>	<b>Forecast (£000's)</b>
<b>Balance brought forward 31 March 2015</b>	<b>(7,871)</b>
<b>Commitments 2015/16:</b>	
Planned use for 2015/16 Budget (agreed Feb 2015)	1,000
Planned use for one-off projects 2015/16	200
Underspend on Council-Wide budgets 2015/16	(1,528)
Minimum Revenue Provision (MRP) Saving	(1,151)
Interim MAG Dividend 2015/16	(1,245)
Transfer to MAG Dividend to Earmarked Reserve	1,245
Transfer to Budget Support Reserve	1,500
<b>Forecast balance 31 March 2016</b>	<b>(7,850)</b>
<b>Commitments 2016/17:</b>	
Planned base budget support 2016/17	1,850
<b>Forecast balance 31 March 2017</b>	<b>(6,000)</b>

- 6.7 **Employment Rationalisation Reserve** - The Employment Rationalisation Reserve is maintained for the costs of severance and related costs of structural change over and above the revenue budget provision. The reserve was replenished with an extra £1.4m in 2014/15 to provide for future years' redundancy costs, resulting in a balance of £(3.1)m at the beginning of 2015/16. The reserve is estimated to stand at £(1.59)m at the end of 2015/16 after taking account of actual redundancy costs in 2015/16 and an estimate for 2016/17 which are likely to be charged to 2015/16. In conjunction with the revenue budget, the remaining reserve balance would cover redundancy costs for approximately a period of 4 years.
- 6.8 **Smoothing Reserves** - The Smoothing Reserves exist to reduce or smooth out volatility in the revenue budget where normal operating expenditure is not always similar year-on-year; a good example being the local elections budget when there are elections in only three of every four years. It has been the practice to even out this variable expenditure to recognise the underlying budgetary requirements of the base budget. The balance of Smoothing Reserves is estimated at £(2.447)m at 1st April 2016, with the largest reserves relating to the Waste Levy £(1.588)m. Significant increases in the WDA levy are expected in 2017/18 and 2018/19. The use of the smoothing reserve will allow a steady annual increase to the budget over a four year period to 2019/20.
- 6.9 **Budget Support Reserves** - This is a new classification of reserves recently established to provide a cushion against volatility in budget funding and the significant level of savings required over the medium term. The reserves balance is estimated at £(3.333)m at 1<sup>st</sup> April 2016, consisting of the 2015/16 MAG Dividend £(1.245)m as mentioned above, plus £(1.151)m released from the 2015/16 budget as a result of the Council's review of the MRP Policy, £(0.349)m transferred from General Reserve and £(0.588)m released from various other earmarked reserves (see below). The MAG Dividend will be drawn down in full in 2016/17 to support the base budget.
- 6.10 **Review of Revenue Projects Reserves**

Various other revenue project reserves are estimated at £(1.063)m at 1<sup>st</sup> April 2016 and a review of these reserves plus our provisions has enabled £(0.588)m to be released and redirected into the Budget Support Reserve mentioned above. The above figure includes the realignment of the Local Welfare Assist Reserve £(0.403)m, as this scheme can now be accommodated within the base revenue budget.

## 7. SCHOOLS FUNDING AND BUDGETS 2016/17

### Background

- 7.1 Schools are funded from ring fenced grants, the most notable of which is the Dedicated Schools Grant (DSG). This funding cannot be used for any other Council function, and essentially schools operate within their own fund with any under or over expenditures being taken forward into future years. DSG can be divided into three main blocks:-
- **Mainstream** - approximately £144m which essentially funds schools' budgets. This includes approximately £57m for academies which is determined by the Schools Funding Forum and Council but paid to Academies through the Education Funding Agency (EFA).
  - **High Needs** - approximately £23m which primarily supports Special Educational Needs expenditure. This includes £10m to fund Trafford Special Schools.
  - **Early Years** - approximately £12m, which funds educational, provision for 2 to 5 year olds in both LEA Schools and Private, Voluntary and Independent (PVI) settings.
- 7.2 The DSG is apportioned between authorities largely based on pupil numbers and historical formulae with the grant level for 2016/17 being finalised in December when the schools census data had been collated.
- 7.3 Locally, the schools funding forum, which comprises of representatives from Primary, Secondary, Special Schools and Academies, will make recommendations to the Council on how much funding should be allocated to the three blocks and also the formula that should be used to distribute monies to individual schools. Full details of the funding formula as recommended by the Schools Funding Forum are shown at Annex E.

### Government Funding

- 7.4 **DSG** - Distribution to Trafford is dependent upon the census count of pupil numbers and there is a commitment nationally to increase spending in line with pupil numbers. Trafford is one of the lowest funded local authorities in the country and the Government have promised a review of a fair funding system for schools. It is expected that a consultation will be released in February 2016.
- 7.5 **Pupil Premium Grant (PPG)** - In 2016/17 maintained schools (i.e. excluding academies) are expected to receive £6m in PPG. This is £1,320 per eligible Primary pupil and £935 for eligible Secondary pupil. This money is designed to bridge the attainment gap for pupils who are in receipt of free school meals.
- 7.6 There is an additional PPG for looked after children of £481k which is initially held centrally and allocated to schools on the basis of their needs via personal education plans. There is also a PPG which is allocated to schools on the basis of children adopted from care and children who have left care under a special guardianship or residence order. This amounts to £1,900 per pupil and totals £287k.

- 7.7 **Universal Infant Free School Meals (UIFSM)** – From September 2014 every infant (key stage1) pupil became entitled to a free school meal. This is funded by an additional specific grant amounting to £2.30 per pupil and will total approximately £2.85m in 2016/17 (excluding academies). Academies also receive this grant direct from the EFA.
- 7.8 **6th Form Funding** - There are two schools with 6<sup>th</sup> forms that are not academies and their sixth form funding comes via the EFA and amounts to £1.320m. Sixth form funding for schools is reducing in line with that given to 6<sup>th</sup> form colleges and is therefore a pressure on all schools which have 6<sup>th</sup> forms.

## **DSG Position**

- 7.9 In 2015/16 it is estimated the DSG will overspend by £0.9m and coupled with the overspend in 2014/15 will leave the centrally held DSG Reserve at a precariously low level and at a level that could not support similar pressures in 2016/17. These pressures on the DSG have been caused by a number of factors including growth in pupil numbers, pupils transferring to the secondary sector, nil inflationary increases, the cost of the MFG and most significantly the demographic growth pressures within the high needs area where DSG funding has failed to keep pace with demand.

## **Distribution of DSG to Schools**

- 7.10 The School Budget Unit of Funding (SBUF) has remained the same for 2016/17 as 2015/16 at £4,227 per pupil but overall pupil numbers have increased by 672, mainly in the primary sector (557); this has resulted in additional DSG of £2.8m in 2016/17.
- 7.11 The amount of DSG a school receives is calculated using the Authority Proforma Tool (APT). This is used to calculate individual school allocations using pupil number data from the October pupil count and uses deprivation and prior attainment factors. The data used in the deprivation indices have been updated for 2016/17 with the impact that fewer pupils are considered deprived. The increased cost from 2015/16 to the DSG of the growth in pupil numbers and the distribution adjustments is £1.6m, leaving £1.2m not distributed by the formula mainly due to the changes in deprivation and prior attainment factors.
- 7.12 The Minimum Funding Guarantee (MFG) will continue to operate in 2016/17 and has been set nationally such that no school will receive a reduction in funding of more than 1.5% per pupil. The adjustment to the deprivation indices and therefore the effect on school's budgets has caused the cost of the MFG to increase to £3.3m. The cost of the MFG has to be contained within the overall DSG.
- 7.13 Various meetings were held with the sub groups of the Funding Forum during December 2015 to consider the options for addressing the funding gap and getting the DSG in a more sustainable position in the short term.
- 7.14 The funding gap in 2016/17 is estimated at £0.9m (after removing the allocation of split site funding from Sale Grammar School as they are no



longer eligible and estimated savings to be achieved in the high needs block). It continues to be the view of the Funding Forum that the Council needs to address the deficit by reducing expenditure pressures within the high needs areas and this should be a priority within the Council to do this during 2016/17. The Council though has a statutory responsibility to set a balanced and robust budget and therefore the size of the challenge is deemed too great to meet the deficit solely by adjustments to high needs expenditure.

- 7.15 A decision was made to consult with individual schools on a range of options but as a consequence of the updated deprivation and prior attainment factors included in the APT as explained in para 7.11 this was no longer necessary.
- 7.16 The recommendation to the Funding Forum on 19 January 2016 was that the headroom that remains in the DSG is wholly retained at this stage to cover the projected deficit. Whilst the estimated gap is £0.9m it is deemed prudent to retain a contingency for unforeseen items that might arise in year.

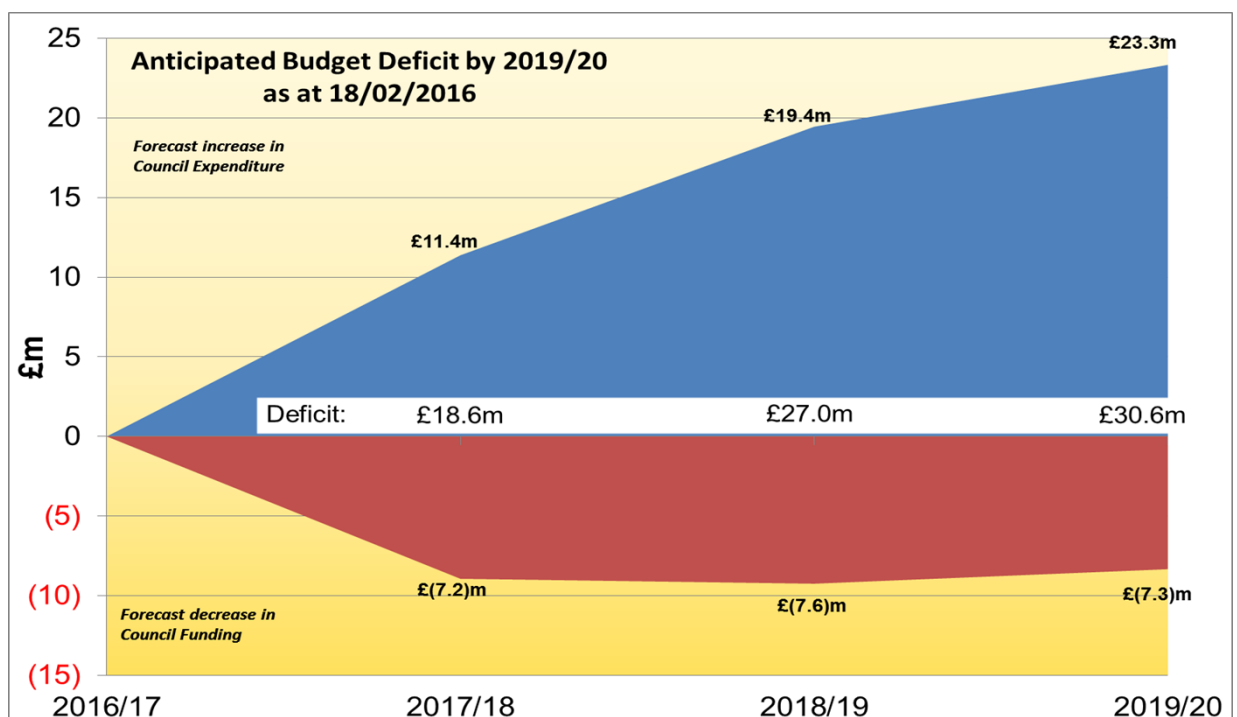
## 8. MEDIUM TERM OUTLOOK

### Background

- 8.1 Whilst the main focus is on the funding gap and approach to balancing the budget in 2016/17 it is important that the likely medium term position is taken account of as all the Council's plans and aspirations will have to be contained within a constrained funding envelope.
- 8.2 Whilst greater certainty of funding has been signalled in the provisional local government finance settlement, something that has been asked for over the last few years, the trajectory of settlement funding continues to decline from £27.6bn in 2013/14 to £17.1bn by 2019/20, some 38%. The Government has offered a fixed four year settlement to each individual authority up to 2019/20 on condition that they publish an efficiency plan. Details of what the precise offer is are sketchy at the present time. Whilst funding certainty is helpful from a planning perspective it makes the medium term no less challenging. The Council will consider the offer when more details are available.
- 8.3 The Settlement also marked a shift in approach from the Government who in previous years had incentivised authorities to keep council tax low by offering a freeze grant. Included in the forecasts of Core Spending Power is an assumption that councils will increase council tax levels over the medium term to assist meeting rising costs, including the increased costs of social care.

### The Trafford Gap

- 8.4 Taking into account the indicative allocations in the provisional settlement for 2017/18 and additional flexibilities around council tax it is projected that the Council will need to make further savings in excess of £30m by 2019/20, which is approximately 21% of our current net budget and on top of the £113m of savings delivered since 2010/11.



- 8.5 The provisional finance settlement was poor for Trafford, particularly in the early years and has failed to recognise the Council's low spending position and applied similar funding reductions for authorities providing the same range of services. It is the Council's stance that significantly low spending authorities have a proportionately more difficult task after 10 years of cost cutting, than other better resourced authorities.
- 8.6 A number of authorities are publically expressing concern about their ability to provide statutory services from within the likely resources available over the medium term. Being a very low spending authority Trafford will face a similar concern. Work on transforming services will continue and efforts made to build the resource base. The outcome will likely mean that services look different to how they are today. The Council's preference is that devolution of business rates should be accelerated to assist low spending authorities such as Trafford to cope with the extent of the financial challenge that has been set out in the grant settlement.

### Indicative Budget Forecasts and Assumptions

- 8.7 A summary of each item is included in the table below:-

<b>Table 13: Indicative Budget Forecasts 2016/17 to 2019/20</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>
Gross Expenditure				
Gross Income				
<b>Net Revenue Budget</b>	<b>147,320</b>	<b>147,320</b>	<b>158,707</b>	<b>166,777</b>
Cost Pressures:-				
Inflationary		2,186	2,100	2,102
Levies		1,225	1,728	1,700
Pay		1,435	1,413	1,413
Demographic		2,000	2,000	2,000
Living Wage		2,208	1,882	1,789
New Income		(200)	(3,000)	(5,700)
Expected grant reductions		2,327	1,200	
Other		198	747	581
<b>Total Cost Pressures</b>		<b>11,387</b>	<b>8,070</b>	<b>3,885</b>
Funding:-				
Council Tax	83,547	87,301	90,925	95,025
RSG	22,989	15,281	10,300	5,299
Redistributed Business Rates	33,329	33,981	34,990	36,105
Business Rate Growth	5,605	3,577	3,577	3,577
General Reserve	1,850			
<b>Total Funding</b>	<b>147,320</b>	<b>140,140</b>	<b>139,792</b>	<b>140,006</b>
<b>Cumulative Funding Gap</b>		<b>18,567</b>	<b>26,985</b>	<b>30,656</b>
<b>Annual Funding Gap *</b>		<b>18,567</b>	<b>8,418</b>	<b>3,671</b>

(\*) The Council can use the Budget Support Reserve (£2.1m) to defer an element of savings from one year to the next, which would change the figures in the table above.

8.8 The assumptions behind the projections above are detailed in the following sections but in summary are based on:-

- **Settlement Funding** - reductions in settlement funding of 12.5%, 8.1% and 7.1% in 2017/18 to 2019/20 respectively, as indicated in the provisional grant settlement.
- **Council Tax** – The assumptions from 2017/18 onwards are for a rise in the tax base (ie number of properties) and an increase in the level of council tax, as assumed in the 2016/17 grant settlement announcement.
- **Business Rates** – Since the introduction of the business rates retention scheme in 2013/14 the forecasting around business rates has become more robust but despite this risks remain given the extent of outstanding appeals in the system, empty property exemptions and also the forthcoming revaluation from April 2017. For this reason any business rate growth used to support the budget in previous years has been done so cautiously on an assumed one-off basis. That said significant growth is expected during 2016, therefore future forecasts have assumed that £3.5m will be available in 2017/18 onwards.
- **Improved Better Care Fund (IBCF)** – Included in the financial settlement was £1.5bn of funding for authorities with social care responsibilities (over and above existing BCF funding), to supplement the flexibility on council tax afforded by the 2% precept. This will be allocated to authorities on a formula which recognises that authorities have varying capacity to raise council tax,

whereby greater funding will be awarded to those authorities which benefit less from the council tax flexibility. Unfortunately, whilst the funding is welcomed, it will not be available in any meaningful sum until 2018/19.

<b>Table 14: IBCF allocations</b>	<b>National £m</b>	<b>Trafford £m</b>
2017/18	105	0.200
2018/19	825	3.000
2019/20	1,500	5.700

- **New Homes Bonus** – the Government published a technical consultation entitled “Sharpening the Incentive” as part of the Settlement with the objective of identifying savings of £800m nationally from the cost of the scheme. This represents a significant proportion of the scheme costs with the savings being used, in part, to cover the additional investment in the IBCF. In 2016/17 Trafford benefits by in excess of £2m from NHB grant so stands to lose significantly from the proposals. The loss for Trafford is estimated at £870k in 2018/19 based on indications provided in the Settlement but this may change depending on the final outcome of the consultation.
- **Public Health** – The outcome of a consultation on the basis of distribution of public health grant nationally is still awaited and no assumption is included in the projections above for any further changes in allocations.
- **Cost Pressures** – allowances have been made for increases in salary costs, national insurance and pensions, general inflation on supplies and services, levies, and energy costs and these are detailed in Annex A.

## 2017/18

- 8.9 The front-loading of funding reductions in the grant settlement is clearly illustrated in the chart in para 8.4; of the total savings requirement in the three years 2017-20 nearly two thirds will have to be delivered in the first year. Therefore the challenge in bridging the budget gap is considerable in 2017/18 with the projected gap of £18.6m already including for what is estimated to be the maximum increase in council tax and also an estimate of additional business rates. The council has lobbied Government that a continuation of the current approach to cutting resources to low tax, low spending authorities will bring in to question what role and responsibility the council is expected to have.
- 8.10 The overall approach to reserves has been to rationalise a number of balances to allow the creation of a budget support reserve in 2016/17 (See section 6) and this will be available to support the budget on a one-off basis in 2017/18. For example it has proved imperative that the Council has been able to support transformational work activity to provide the capacity to identify and realise savings to support the budget in future years.
- 8.11 Similarly, in discussions about Health and Social Care Devolution, the opportunities to use short term repayable funding is being explored to give time for the final benefits of devolution to be delivered.

## **School Funding**

- 8.12 Trafford has lobbied Government to a change in the national funding formula for a number of years as a consequence of the low level of funding received by schools in Trafford. It was announced in the Comprehensive Spending Review that there would be a national review of school funding during 2016 and it is hoped this will relieve some of the funding pressures from 2017/18. A consultation on a new formula and on Education Services Grant and local authority functions are expected shortly.
- 8.13 It is the Government's intention to make all schools schools academies over the next few years and the financial implications of this will need considering in future financial planning.

## **Public Sector Reform and Devolution**

- 8.14 The Council continues to work with the other AGMA districts to deliver a range of transformational activity aimed at reducing the cost of public sector service delivery and improving outcomes for residents and businesses.
- 8.15 At the heart of achieving this goal is Public Service Reform (PSR), which is a collection of initiatives or projects being undertaken to provide evidence that earlier, tailored intervention by one public body can reduce, deflect and even eliminate, the need for higher cost support services by other public bodies. In addition, by working together, public bodies can avoid duplication of intervention delivery, and ensure greater effectiveness by delivering interventions at the right time in the right order. Key projects currently being delivered include:-
- Mental Health and Employment /Working Well
  - Troubled Families Programme
  - Early Years Delivery Model
  - Transforming Justice – Intensive Community Orders
- 8.16 The GM Devolution agreement also provides a framework for addressing some major funding issues most notably the financial deficit faced by the health and social care sectors. Financial modelling indicates a gap in funding in Trafford by 2020-21 of approximately £111m and across GM it will be in the region of £2bn if nothing changes from the current position. In Trafford the financial gap relates to Social Care £44.3m, CCG £26.6m and NHS Acute Providers £40m so a range of interventions are required based on a strategic vision of the place.
- 8.17 As part of the work on the health and social care devolution programme each district has produced a locality plan. The purpose of the plans is to outline how it is intended to radically reform the health and social care system over the period up to 2021, in line with the devolution of health and social care responsibilities across Greater Manchester. It also provides an outline of both current and intended programmes and how these will support us to close the financial gap by 2020-21.

## **100% Business Rate Retention**

- 8.18 It is the Government's intention to fully devolve business rates to local government by the end of this Parliament and phase out RSG. Whilst this is welcomed and will provide an even greater incentive to promote economic growth it is the Council's view that its introduction be accelerated to address the funding pressures faced by authorities now.
- 8.19 By 2020 it is estimated that under a fully devolved system local government will retain approximately £12bn more than in the current system. Before any additional responsibilities are transferred to local authorities for example responsibility for providing financial support for older people with disabilities (Attendance Allowance) or funding streams removed the Council has lobbied government to address the current spending disparity in the finance system felt by low spending authorities like Trafford.

## 9. COUNCIL TAX REQUIREMENT AND STATUTORY CALCULATIONS

### Budget Requirement

9.1 The Local Government Finance Act 1992, as amended by the Localism Act, requires the Council to make the following calculations:

- an estimate of the Council's gross revenue expenditure - Section 31A(2),
- an estimate of anticipated income - Section 31A(3),
- a calculation of the difference between (i) and (ii) above, (i.e. net revenue expenditure) - Section 31A(4) – this is known as the **Council Tax Requirement**,
- a calculation of the Council's **Basic Amount of Council Tax**, calculated by dividing the **Council Tax Requirement** by the Taxbase (expressed in Band D's).

9.2 If the proposals in this budget report are agreed, the calculation for the 2016/17 Council Tax Requirement will be as follows:

LGFA 1992	Calculation of Council Tax Requirement & Basic Amount of Council Tax 2016/17	£
<b>S 31A(2)</b>	<b>Gross Expenditure</b>	
(a) – (f)	Service expenditure	424,088,696
<b>S 31A(3)</b>	<b>Gross Income</b>	
(a, c, d)	Fees, charges and specific grants	(276,768,705)
	Application of General Reserve	(1,850,000)
	<b>Budget Requirement (previous regulations)</b>	<b>145,469,991</b>
(b)	Revenue Support Grant	(22,989,082)
(b)	Retained Business Rates Baseline	(33,329,268)
	Business Rates:	
	- Growth 2016/17	(5,511,111)
	- Surplus of over Growth 2014/15	(16,442)
	- Renewable Energy	(77,532)
(b)	Collection Fund surplus	(300,000)
<b>S 31A(4)</b>	<b>Council Tax Requirement</b>	<b>83,246,556</b>
	<b>Council Tax Base in Band D's</b>	<b>73,844</b>
	<b>Basic Amount of Council Tax</b>	<b>£1,127.33</b>

9.3 The Director of Finance approved the Council Tax Base (number of equivalent Band D properties in the borough) on 19 January 2016 at 73,844, which is a growth of 1,175 Band D equivalents on 2015/16. The tax base for Partington Town Council precept is 1,555, an increase of 133.

### Council Tax Increases

9.4 The Localism Act 2011 abolished Council Tax capping and replaced it with a requirement to hold a Council Tax Referendum if an authority wishes to increase its "Relevant Basic Amount of Council Tax" by an amount equal to or exceeding a level set out by the Government, which for 2016/17 is 1.99%. In addition in each of the financial years beginning with 2016-17 up to and



including 2019-20, the Secretary of State has offered authorities with adult social care responsibilities the option of increasing their relevant basic amount of council tax by an additional 2%, to help pay for adult social care costs without breaching the referendum threshold. As highlighted elsewhere in the report, it is proposed to raise the council tax in 2016/17 by 2% in respect of an adult social care “precept” to cover the expenditure demands in adult social care.

9.5 In paras 5.4 to 5.7 of the report the Director of Finance has drawn Members’ to matters that should be taken into account when making decisions on the level of council tax for 2016/17.

9.6 The calculation of the percentage change in “Relevant Basic Amount of Council Tax”, for Trafford Services is shown below :

	2015/16	2016/17
Council Tax Base	72,669	73,844
Council Tax Requirement with Levies (£)	80,315,959	83,246,556
Basic Amount of Council Tax (£) (excluding Social Care Precept)	1,105.23	1,105.23
Social Care Precept	-	22.10
Relevant Basic Amount of Council Tax	1,105.23	1,127.33
<b>% increase in Basic Amount of Council Tax</b>	<b>0.0%</b>	<b>2.0%</b>

9.7 As the “Relevant Amount of Council Tax” has remained static between 2015/16 and 2016/17 and is subsequently below the core threshold level of 1.99% and the further addition of 2% for the Adult Social Care precept remains in line with Government policy, therefore there is no requirement to hold a Referendum.

9.8 For the sixth year running the Executive is proposing to Council not to increase the underlying rate of Council Tax, however it is proposing to apply a 2% Adult Social Care ‘precept’ as highlighted throughout the report. Of the two major precepting bodies, the GM Police & Crime Commissioner are recommending a £5 (3.28%) increase in their Band D precept and the GM Fire and Rescue Authority is proposing an increase of £1.14 (1.98%) on their Band D precept.

9.9 Partington Town Council, at its meeting on 12 October 2015, elected to keep the level of Band D Council Tax at £42.50, the same as 2015/16.

## Council Tax Levels and Bandings

9.10 The overall Precepts and Council Tax levels for 2016/17 for Trafford properties are as follows:

Council Tax per precepting body	Precept Amount £	Council Tax Per Band D Property £	Council tax level Increase %
Trafford Services (inclusive of Adult Social Care Precept)	83,246,556	1,127.33	2.0%
GM Police Authority (see note)	11,615,661	157.30	3.28%
GM Fire Authority (see note)	4,340,550	58.78	1.98%
<b>Total (excluding Partington)</b>	<b>99,202,767</b>	<b>1,343.41</b>	<b>2.15%</b>
Partington Precept	66,088	42.50	0%
<b>Total for Partington</b>		<b>1,385.91</b>	<b>2.08%</b>

Note: The Council Tax figures for the GM Fire & Rescue Authority and Greater Manchester Police included above are the recommended amounts and are subject to formal approval. GM Police are due to meet to approve their budget on 16<sup>th</sup> February and GM Fire & Rescue on 11<sup>th</sup> February.

9.11 The council tax for 2016/17, inclusive of the Adult Social Care Precept, for each of the eight valuation bands would be as follows:

### 2016/17 Council Tax levels by valuation band (including major Precepts):

Band	Valuation range (in 1991 prices)	Partington Council Tax £	All other areas Council Tax £
A	Up to £40,000	923.93	895.60
B	Over £40,000 and up to £52,000	1,077.92	1,044.86
C	Over £52,000 and up to £68,000	1,231.91	1,194.13
D	Over £68,000 and up to £88,000	1,385.91	1,343.41
E	Over £88,000 and up to £120,000	1,693.89	1,641.95
F	Over £120,000 and up to £160,000	2,001.87	1,940.48
G	Over £160,000 and up to £320,000	2,309.84	2,239.01
H	Over £320,000	2,771.82	2,686.82

## **10. CAPITAL PROGRAMME AND TREASURY MANAGEMENT STRATEGY**

10.1 There are two, more detailed, papers elsewhere on the agenda regarding the Capital Investment Programme 2016/19, Prudential Indicators, and the Treasury Management Strategy. Members are requested to treat these papers as part of the overall budget bundle for the purposes of decision making. The following is an outline of the salient features of those reports.

### **Capital Investment Programme 2016/19**

10.2 The proposed Capital Programme for 2016/19 is expenditure of £90.7m, with £43.7m of this being undertaken during 2016/17. The programme is mostly funded by Government grant (60%), emphasising how sensitive expenditure is to movements in Government funding and includes the following investment:-

- Additional primary school placements, £8.1m in 2016/17, £20.7m over three years, and other investment in schools' infrastructure of £3.9m in 2016/17, £8.7m over three years.
- Highways investment of £14.0m in 2016/17, and £32.0m over the three years allowing for the replacement of 65km of carriageway, 66km of footway, contribution to the extension of the Metrolink into Trafford Park and replacing old street lighting luminaires with LED.
- Improvements to depot facilities, £5.7m in 2016/17 and £6.1m in total.
- Investment in the local economy through the Borough's Town Centres of £4.7m in 2016/17 and £8.6m over the three years.
- A variety of investments in social care of £2.6m in 2016/17 and £6.0m over three years, including grants and home assistance to allow elderly and/or disabled people live in their own homes for longer.
- Homeowner grants to encourage more homes to be brought up to habitable standards of £0.1m in 2016/17 and £0.2m over three years.
- Improvements to the Council's parks and open spaces and facilities at allotment sites of £0.6m in 2016/17 and £0.9m over three years, and
- a range of works to the Council's asset to ensure service delivery including mechanical, electrical and DDA works of £1.5m in 2016/17 and £4.1m over the three years.

### **Treasury Management & Prudential Indicators**

10.3 The salient points of the report are:

- Both investment and long term borrowing rates are expected to remain reasonably static.
- Any new borrowing undertaken will be taken to support any requirements from the Capital Programme; some £3.7m of debt will also be repaid.
- Cash balances are expected decrease from an average level of £91m in 2015/16 to £61m in 2016/17 reflecting application of capital grants and contributions and reserves.

There will be no significant changes to the Council's prudential indicators.

## **11. RECOMMENDATIONS**

The following recommendations are repeated on the Formal Council Tax Resolution to be distributed at Council (aka Green Sheets)

### **It is recommended that Council approve:**

- The net Revenue Budget for 2016/17 at £147.320m, a decrease of £(1.594)m, or (1.1)%, when compared to the 2015/16 base budget of £148.914m;
- The calculation of the Council Tax Requirement as summarised in Section 9 and set out in the Formal Council Tax Resolution (Green Sheets to be circulated at Council);
- That the Council Tax level for Trafford related services in 2016/17 be increased by 2% in respect of the social care “precept” (valuation bands are detailed at Annex D);
- No further increase in the general level of council tax over and above the social care precept;
- The Fees and Charges for 2016/17, as set out in the booklet available on the Council’s website:-
- Approval is delegated jointly to each Corporate Director with the Chief Finance Officer to amend fees and charges during 2016/17 in the event of any change in the rate of VAT, as appropriate.
- That the minimum level of General Reserve for 2016/17 be set at £6.0m, the same as in 2015/16 (Section 6);
- The overall Capital Investment Programme level of £90.7m be approved (as detailed in the Capital Investment Programme 2016/19 report attached) of which £43.7m relates to 2016/17.
- The Prudential Borrowing Indicators as set out in Appendix 3, page 14, of the attached Treasury Management Strategy.
- The distribution of Dedicated Schools Grant as recommended by the School Funding Forum and Executive as summarised in Section 7 and detailed in Annex E.

### **and in approving the above, has taken into consideration :**

- The objective assessment by the Director of Finance of the robustness of budget estimates and adequacy of the General Reserve (Section 5 and Annex I).
- The Executive’s response to the Scrutiny Committee’s recommendations to the budget proposals, which can be found elsewhere on the agenda.
- The detailed report on the outcomes of the Staff and Trade Union Consultation which can be found on the agenda for the Executive on 18 January 2016.
- The Equality Impact Assessments in relation to the budget proposals and the Public Sector Equality duty.

- The comments of the Director of Finance in paras 5.4 to 5.7 regarding Council Tax.

**In addition, the Council notes the following :**

- The approval on 19 January 2016 under delegated powers by the Director of Finance of the Council Tax Base for 2016/17 at 73,844 Band D equivalents. Along with the calculation of the estimated Council Tax surplus, sufficient to release £(300)k to support the Council's 2016/17 revenue budget and a distribution of £(41.3)k and £(15.6)k representing the respective shares of the GM Police & Crime Commissioner and GM Fire and Rescue Authority.
- That the Capital Investment Programme for 2017/18 and 2018/19 is to be set at an indicative £26.9m and £20.1m respectively.
- That the Council Tax figures included in the report for the GM Fire & Rescue and Police Authority are the recommended provisional amounts pending their formal approval.
- The Treasury Management Strategy 2016/19 detailed elsewhere on the agenda.
- The base budget assumptions as set out in the Medium Term Financial Outlook as detailed in Annex A.
- Notes the final decisions with regard to some services will not be taken until March 2016. As a result, the allocation of resources set out on pages 65-70 may vary including the use of reserves. The reports will be presented at the appropriate time.
- A report on the outcomes of the public consultation is included elsewhere on the agenda.

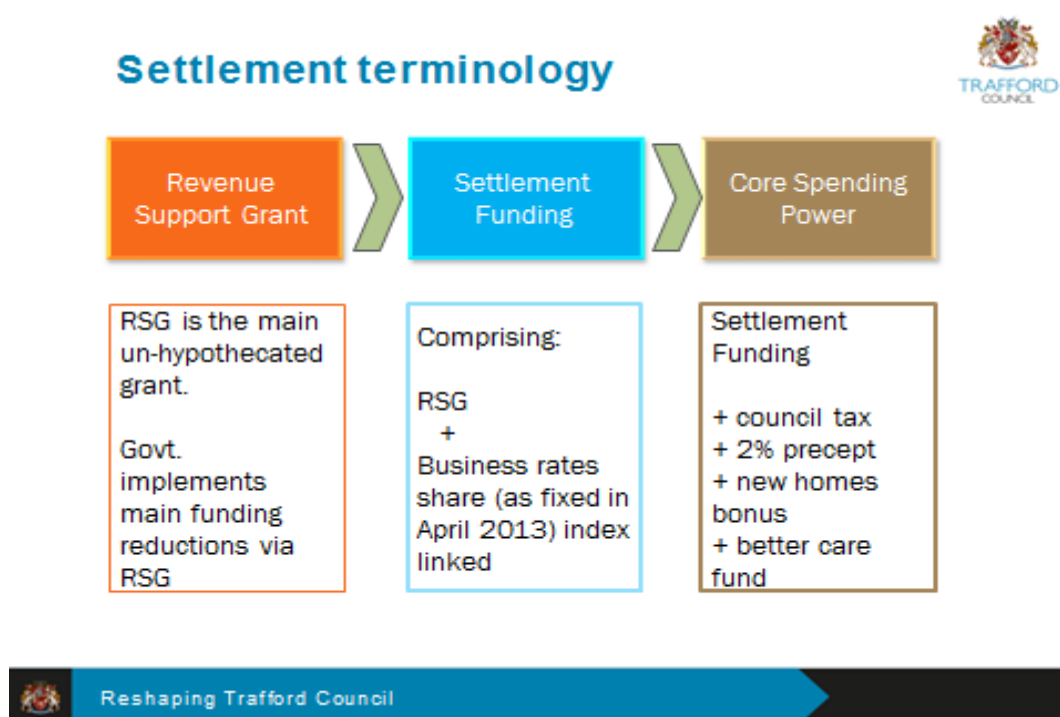
## BASE BUDGET ASSUMPTIONS 2016/17 AND LATER YEARS

Base Budget Assumptions	2016/17	2017/18	2018/19	2019/20
<b>Service Expenditure</b>				
Pay - inflation	1.0%	1.0%	1.0%	1.0%
	£0.6m	£0.6m	£0.7m	£0.8m
Pay – impact of Living Wage	£2.6m	£2.2m	£1.9m	£1.8m
Pension - inflation	+0.7%	1.0%	1.0%	1.0%
	£0.4m	£0.5m	£0.7m	£0.7m
Pension – impact of Auto Enrolment	£0.3m	£0.3m	-	-
NI – cease Contracting Out	£1.2m	-	-	-
Prices – General inflation	2.0%	2.0%	2.0%	2.0%
(certain services have specific inflation, e.g. energy)	£2.4m	£2.1m	£2.0m	£2.0m
Demography : Children	£2.3m	£0.5m	£0.5m	£0.5m
Adults	£0.7m	£0.7m	£0.7m	£0.7m
Waste (GMWDA): Total Levy Increase	£0.7m	£0.7m	£0.7m	£0.7m
Transport (GMCA): Total Levy Increase	£0.1m	£0.5m	£1.0m	£1.0m
<b>Treasury Management &amp; Funding</b>				
Investment Rates	0.9%	1.5%	2.0%	2.0%
Debt Rates	3.50%	3.50%	3.50%	3.50%
Council Tax rate increase (Adult Social Care)	2.0%	2.0%	2.0%	2.0%
Council Tax rate increase (General)	1.0%	1.99%	1.99%	1.99%
Council Tax base increase	1.6%			
Reduction in Settlement Funding Assessment	11.6%	12.1%	8.1%	7.1%
	£7.4m	£7.1m	£4.0m	£3.2m

## Local Government Financial Settlement

The provisional local government finance settlement was announced on 17 December 2015 and set out the distribution of funding to local authorities for 2016/17 and indicative allocations through to 2019/20. The settlement is important because it provides approximately 43% of the total resources to support the Council's net budget and is paid in the form of Revenue Support Grant and a (relatively small) proportion of Business Rates collected by the Council.

The annual grant settlement is usually a technically complex assessment of how grant should be distributed across England. In the 2016/17 settlement there are three main aspects which are interlinked as shown in the diagram below:



In a change to past settlements the Government has taken Core Spending Power for 2015/16 as the basis for assessing the amount of grant to be cut for each authority. This means for the first time the amount of council tax raised by an authority will be taken into account in assessing how much the grant reduction will be.

Illustrative levels of Core Spending Power for each authority were also announced for the following three years through to 2019/20. The summary for England is set out below:

<b>Breakdown of Core Spending Power</b>	<b>2015/16 Adjusted £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Settlement Funding	21,249.9	18,601.5	16,623.9	15,558.9	14,499.7
Council Tax	22,035.9	22,748.5	23,601.8	24,513.0	25,486.1
2% precept	-	392.8	820.9	1,289.8	1,804.0
£5 Council Tax	-	21.3	36.6	50.6	63.3
Better Care Fund	-	-	105.0	825.0	1,500.0
New Homes Bonus	1,200.0	1,485.0	1,493.0	938.0	900.0
Rural Services	15.5	80.5	65.0	50.0	65.0
Transition Grant		150.0	150.0		
<b>Core Spending Power</b>	<b>44,501.3</b>	<b>43,479.5</b>	<b>42,896.2</b>	<b>43,225.3</b>	<b>44,318.1</b>
Change over Period					-183.2
Change over Period					-0.4%

There are a number of assumptions used by the Government in coming up with this assessment: Core Spending Power:

- Settlement Funding will continue to decline (this is commented upon further below);
- Council Tax: in a departure from previous Government policy, it is assumed all authorities will increase council tax in each of the four years, in line with assumed CPI. In addition the council tax base is assumed to increase in line with the average growth over the past three years;
- All upper tier authorities will levy a 2% council tax 'precept' in each year to help fund the cost of adult social care;
- Additional grant will be forthcoming from the Improved Better Care Fund (IBCF), which is back-loaded in the 4 year settlement;
- Reduced income from the New Homes Bonus (NHB) starting in 2018/19, to help pay for the IBCF. There is a consultation currently taking place on the methods by which NHB will be reduced which will have an impact on the amount received by each authority;
- Rural Services Delivery Grant will increase. Trafford Council does not benefit from this grant.
- Transition Grant – this was announced at Final Settlement to ease the pace of reductions in RSG for those authorities facing the severest reductions.

The table gives the appearance of a modest reduction in resources available to local government. This is in part through the substitution of government grant with increases in council tax, plus some of the new resource isn't received until 2018/19. The settlement is only concerned with resources, it takes no account of spending pressures faced by councils such as an increasingly older population, the new national living wage, increased national insurance, general inflation.

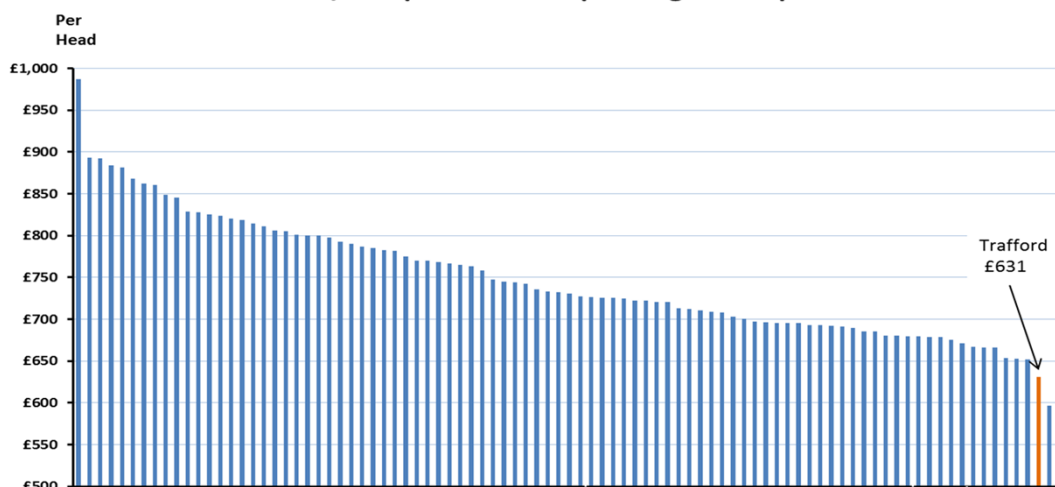


The figures for Trafford are summarised in the table below and are significantly lower than the average national reduction but better than the GM reduction due to the inclusion and weight that council tax has in this measure. Whilst the scale of the task is higher in the first two years toughest years, 2018-20 will be particularly difficult as they come after eight years of continuous reductions in government fundings.

<b>Core Spending Power (average reductions)</b>	<b>2015/16 (adj.) £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Change over the period £m</b>
<b>England</b>	<b>44,501.3</b>	<b>43,479.5</b>	<b>42,896.2</b>	<b>43,225.3</b>	<b>44,318.1</b>	<b>-183.2</b>
%		-2.3%	-1.3%	+0.8%	+2.5%	-0.4%
<b>Metropolitan Districts</b>	<b>9,155.1</b>	<b>8,805.1</b>	<b>8,642.8</b>	<b>8,770.4</b>	<b>8,979.7</b>	<b>-175.4</b>
%		-3.8%	-1.8%	+1.5%	+2.4%	-1.9%
<b>Greater Manchester</b>	<b>2,121.6</b>	<b>2,042.7</b>	<b>2,005.4</b>	<b>2,033.2</b>	<b>2,081.8</b>	<b>-39.8</b>
%		-3.7%	-1.8%	+1.4%	+2.4%	-1.9%
<b>Trafford</b>	<b>148.7</b>	<b>143.8</b>	<b>141.1</b>	<b>142.9</b>	<b>146.5</b>	<b>-2.2</b>
%		-3.3%	-1.8%	+1.3%	+2.5%	-1.5%

The main focus of the Council's lobbying around this settlement is that it ignores Trafford's low spending starting position. Trafford's core funding per head continues to be the lowest of any metropolitan authority in 2016/17 at £631 and £114 (15%) lower than the metropolitan/unitary authority average of £745. The chart below illustrates the position for the 91 Metropolitan and Unitary Authorities:

**Metropolitan Districts and Unitary Authorities  
2016/17 Updated Core Spending Power per Head**



**Settlement Funding Assessment** – is a component of core spending power and comprises of Revenue Support Grant and the local share of retained business rates. Historically this is what has been taken into account to assess reductions in government funding. Each year changes are made to settlement funding to reflect responsibility transfers or grants rolling in to the main grant. In 2016/17 the following grants are to roll-in:-

- £308m funding for the Care Act 2014
- Council Tax Freeze Grant for 2015/16
- Efficiency Support Grant 2015/16

Nationally settlement funding will fall by 12.5% in 2016/17 although the reduction for Trafford is 14.6% (see table below) and is far higher than planned at the draft budget stage which included an estimate of £58.105m for 2016/17 compared to the provisional allocation of £56.318m. This is partly due to a greater level of austerity reduction than expected and a lower NNDR multiplier (0.833% compared to 2% assumed) which reduced the level of retained business rates but mainly due to a change in the methodology in distributing RSG (see later). This was a late, unannounced change to the settlement and one which the Council has lobbied against on the basis that it has been brought in at such short notice that local authorities affected have no opportunity to react to the loss in funding in their financial planning.

<b>Settlement Funding</b>	<b>2015/16 (adj.) £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Change over the period £m</b>
<b>England</b>	<b>21,249.9</b>	<b>18,601.5</b>	<b>16,621.6</b>	<b>15,536.0</b>	<b>14,499.7</b>	<b>-6,750.2</b>
%		-12.5%	-10.6%	-6.5%	-6.7%	-31.8%
<b>Metropolitan Districts</b>	<b>5,335.2</b>	<b>4,751.6</b>	<b>4,321.2</b>	<b>4,078.6</b>	<b>3,842.5</b>	<b>-1,492.7</b>
%		-10.9%	-9.1%	-5.6%	-5.8%	-28.0%
<b>Greater Manchester</b>	<b>1,203.9</b>	<b>1,068.5</b>	<b>968.7</b>	<b>912.4</b>	<b>857.6</b>	<b>-346.3</b>
%		-11.2%	-9.3%	-5.8%	-6.0%	-28.8%
<b>Trafford</b>	<b>65.9</b>	<b>56.3</b>	<b>49.3</b>	<b>45.3</b>	<b>41.4</b>	<b>-24.5</b>
%		-14.6%	-12.4%	-8.1%	-8.6%	-37.2%

Whilst Settlement Funding decreases over each of the four years, the element for Councils' share of retained business rates increases. The result of this is that Revenue Support Grant, the main block grant paid by the Government, declines steeply each year, as shown in the table below.

<b>Settlement Funding Breakdown</b>	<b>2015/16 (adj.) £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Change over the period £m</b>
<b>England</b>	<b>21,249.9</b>	<b>18,601.5</b>	<b>16,621.6</b>	<b>15,536.0</b>	<b>14,499.7</b>	<b>-6,750.2</b>
Of which Retained Business Rates	11,323.1	11,417.6	11,642.1	11,985.5	12,368.6	+1,045.5
RSG	9,926.8	7,183.9	4,979.5	3,550.5	2,131.1	-7,795.7
<b>Trafford</b>	<b>65.9</b>	<b>56.3</b>	<b>49.3</b>	<b>44.3</b>	<b>41.4</b>	<b>-24.5</b>
Of which Retained Business Rates	33.1	33.3	34.0	34.0	36.1	+3.0
RSG	32.8	23.0	15.3	10.3	5.3	-27.5

**Revenue Support Grant (RSG)** – this is a component of settlement funding and is the central government grant given to local authorities which can be used to finance any service. It is the Government’s aim to phase out the grant over the next few years before devolving business rates to authorities. The methodology change referred to above whereby similar cuts in core spending power were applied to councils providing the same ranges of services has meant that those authorities like Trafford and Stockport with a high council tax base suffer the biggest reductions in RSG.

<b>RSG Analysis</b>	<b>Adjusted 2015/16 £m</b>	<b>2016/17 £m</b>	<b>2019/20 £m</b>	<b>Change to 2016/17</b>	<b>Change to 2019/20</b>
<b>England</b>	<b>9,926.8</b>	<b>7,183.9</b>	<b>2,131.1</b>	<b>-24.5%</b>	<b>-77.6%</b>
<b>Greater Manchester :</b>					
Bolton	56.0	42.0	15.8	-25.0%	-71.8%
Bury	31.0	22.3	6.2	-28.1%	-80.0%
Manchester	142.8	113.7	57.0	-20.4%	-60.1%
Oldham	53.2	40.5	16.7	-23.9%	-68.6%
Rochdale	51.1	39.3	17.0	-23.1%	-66.7%
Salford	60.6	46.8	20.5	-22.8%	-66.2%
Stockport	42.4	28.3	3.2	-33.3%	-92.5%
Tameside	45.8	34.5	13.2	-24.7%	-71.2%
Trafford	32.8	23.0	5.3	-29.9%	-83.8%
Wigan	59.2	44.0	15.8	-25.7%	-73.3%
<b>GM Total</b>	<b>574.9</b>	<b>434.4</b>	<b>170.7</b>	<b>-24.4%</b>	<b>-70.3%</b>

## Conclusion

The Council's Settlement Funding Assessment is £7.4m lower than 2015/16 due to austerity funding reductions and £3.5m lower than expected at draft budget stage.

<b>Settlement Impact on the Council 2016/17</b>	<b>£m</b>
Revenue Support Grant	1.4
Retained Business Rates	0.4
Care Act on-going costs	0.8
No freeze grant in 2016/17	0.9
Transition Grant	(0.5)
Other specific grant changes	0.5
	<b>3.5</b>

## CHANGES TO THE DRAFT BUDGET PROPOSALS

	Net Budget £000	Funding £000	Balance £000
<b>Draft Budget Position</b>	<b>145,815</b>	<b>(145,815)</b>	
<b>1. Changes affecting the Budget Gap:-</b>			
<b>Settlement Related (*):-</b>			
Reduction in Settlement Funding		1,787	
Care Act On-going costs	750		
Estimated reduction in Education Services Grant	197		
Increase to New Homes Bonus	(40)		
Estimated reduction to Public Health Grant	295		
Transition Grant	(465)		
Reduction in Housing Benefit Admin Grant	69		<b>2,593</b>
<b>Changes to budget assumptions:-</b>			
Updated National Insurance cost	51		
Additional cost of 16/17 pay rise	150		<b>201</b>
Reduction in the Passenger Transport Levy	(417)		
Increase in the Waste Levy	357		<b>(60)</b>
Early Help Del Model Reduction in Pressures	(137)		
Increase in external audit costs	9		
Copyright Licence fee (CLA) Annual subscription	7		
CCTV income reduced volumes	90		
Elections	13		
Reduction to General contingency	(400)		
NNDR savings on Trafford assets	(20)		
Sale West Youth Centre retained	40		
Old Trafford Youth Centre	35		
CRM upgrade	100		
GMP project - Itrent hosting/upgrade	65		
Magistrates Court Debt (to Bolton)	(5)		
Better Care Fund	(400)		
Other various changes	20		<b>(583)</b>
<b>Increase in the council taxbase</b>		<b>(597)</b>	<b>(597)</b>
<b>Total changes affecting the budget gap</b>			<b>1,554</b>
<b>2. Changes to Additional Income</b>			
Rephased business rate growth	431	(215)	
Increase in council tax rate		(1,630)	
No council tax freeze grant 2016/17 (*)	900		
Increase in dividend from the MAG (airport)	(245)		
Additional use of General Reserve	(851)		
Financing Related Income	(180)		
Reclassification of additional income in Exchequer Services to Efficiencies	80		<b>(1,710)</b>
<b>3. Changes to savings following budget consultation and robustness review</b>			
LED savings rephased until 17/18	140		
Home to School Transport	70		
Early Help Delivery Model	137		
Additional savings on old car lease scheme and members allowances	(111)		
Reclassification of additional income in Exchequer Services to Efficiencies	(80)		<b>156</b>
<b>2016/17 Budget Proposal</b>	<b>146,470</b>	<b>(146,470)</b>	<b>NIL</b>
<b>(*) Denotes Impact from financial settlement and sum £3.493m</b>			

**COUNCIL TAX LEVELS by VALUATION BAND**  
(including precepts)

<b>Band</b>	<b>Valuation range (in 1991 prices)</b>	<b>Partington Council Tax £</b>	<b>All other areas Council Tax £</b>
A	Up to £40,000	923.93	895.60
B	Over £40,000 and up to £52,000	1,077.92	1,044.86
C	Over £52,000 and up to £68,000	1,231.91	1,194.13
D	Over £68,000 and up to £88,000	1,385.91	1,343.41
E	Over £88,000 and up to £120,000	1,693.89	1,641.95
F	Over £120,000 and up to £160,000	2,001.87	1,940.48
G	Over £160,000 and up to £320,000	2,309.84	2,239.01
H	Over £320,000	2,771.82	2,686.82

Note: The Council Tax figures for the GM Fire & Rescue Authority and Greater Manchester Police included above are the recommended amounts and are subject to formal approval. GM Police are due to meet to approve their budget on 16<sup>th</sup> February and GM Fire & Rescue on 11<sup>th</sup> February.

## Annex E

### OUTLINE OF 2016/17 FUNDING FORMULA RECOMMENDED BY SCHOOL FUNDING FORUM

Description		Amount per pupil		Pupil Units		Sub Total	Total
Primary (Years R-6)		£2,642.02		19,979.00		£52,784,918	<b>£112,031,464</b>
Key Stage 3 (Years 7-9)		£4,211.74		8,686.00		£36,583,174	
Key Stage 4 (Years 10-11)		£4,211.74		5,381.00		£22,663,373	
		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR		
Deprivation	FSM6 % Primary	£608.48	£749.52	3,591.29	2,777.82	£4,267,260	<b>£6,203,576</b>
	IDACI Band 1	£0.00	£0.00	1,103.30	759.70	£0	
	IDACI Band 2	£146.42	£242.79	1,479.92	931.96	£442,960	
	IDACI Band 3	£192.98	£242.79	1,562.08	1,060.37	£558,898	
	IDACI Band 4	£307.69	£422.40	1,215.63	741.08	£687,071	
	IDACI Band 5	£422.39	£422.40	347.59	228.11	£243,175	
	IDACI Band 6	£537.10	£512.20	4.02	4.00	£4,213	
		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR		
English as an Additional Language	EAL 3	£278.69	£557.39	2,011.23	205.14		<b>£674,853</b>
		Amount per pupil		Eligible proportion of primary and secondary NOR respectively			
Prior attainment	Low Attainment % new EFSP	£1,800.95		2,152.34		£3,876,260	<b>£8,801,664</b>
	Low Attainment % old FSP 78						
	Secondary pupils not achieving (KS2 level 4 English or Maths)	£3,037.45		1,621.56		£4,925,404	
Lump Sum						£150,000.00	<b>£12,750,000</b>
Split Sites							<b>£40,000</b>
Rates							<b>£1,189,277</b>
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total)</b>							<b>£141,690,834</b>
Minimum Funding Guarantee (MFG is set at -1.5%)							<b>£3,280,161</b>
Cost of MFG to DSG							<b>£1,013,197</b>
<b>Total Funding For Schools Block Formula less de-delegation</b>							<b>£142,704,031</b>
<b>less de-delegation</b>							<b>-£853,607</b>
<b>Total Funding For Schools Block Formula less de-delegation</b>							<b>£141,850,424</b>
Schools Block Allocation			Cost of school's budgets				
<b>2016/17</b>	£144,029,903	<b>2016/17</b>	£141,850,424				
<b>2015/16</b>	£141,169,241	<b>2015/16</b>	£140,225,086				
<b>increase in income</b>	<b>£2,860,662</b>	<b>increase in cost of school's budgets</b>	<b>£1,625,338</b>				
<b>headroom</b>			<b>£1,235,324</b>				

## **THE BUSINESS RATES RETENTION SCHEME**

The Government's Business Rates Retention scheme, introduced in 2013/14, was intended to encourage councils to increase business activity in their area such that they can share to a limited extent in the economic growth.

### **The Scheme**

Each authority has a business rates baseline, which represents their proportion of the national estimated business rates yield, and a funding baseline, which is driven by a funding formula. If the business rates baseline exceeds the funding baseline then the difference will be payable to government as a tariff; if the funding baseline is the higher then the authority will receive a top-up payment.

Single tier metropolitan authorities like Trafford will be required to pay 50% of the business rates income they collect to central government (the 'central share') and 1% to the fire authority, leaving a 'local share' of 49%.

The local share is then either increased by the top-up or reduced by the tariff. Tariff authorities (like Trafford) will then be liable to pay a levy to government on the amount by which their income exceeds the funding baseline, with the balance being retained by the authority. If the authority enters into a pooling arrangement (as Trafford has from 1 April 2015) then the value of the levy is retained by the Pool.

### **Pooling**

Under the business rates retention scheme local authorities are able to come together, on a voluntary basis, to pool their business rates. This is meant to benefit authorities by giving them scope to generate additional growth through collaborative effort, to smooth the impact of volatility in rates income across a wider economic area and minimise any levy paid to the Government. This approach was adopted in 2015/16 when Greater Manchester districts and Cheshire East formed a pool and will be continued in 2016/17 with the addition of Cheshire West and Chester. Under the pool arrangement any levy payments are retained within the pool for the benefit of the area.

### **2015/16**

In the 2015/16 budget the Council assumed a one off benefit from business rates in the sum of £(3.489)m with Trafford's share £(1.710)m (net of levy) being £(0.855)m. As part of the 2016/17 budget process the ability to benefit from the scheme has been reviewed again and given that the Council is broadly on target to achieve the projected growth assumed for 2015/16 has continued to make a projection for further growth in 2016/17; supported by the expected opening of a new power station in Carrington early in 2016/17.

### **2016/17**

The forecast of business rate yield included on the NNDR1 form 2016/17 submitted to DCLG in January included for a net yield of £170.102m, which represents an increase over the baseline target set by the Government of £5.511m. Trafford retains 49% of this growth, with 50% paid to the Government and 1% paid to the Fire and Rescue Authority. The Council is normally required to pay a levy to the Government of 50% of any growth; however in 2016/17



the Council has agreed to continue to be a member of the GM, Cheshire East, Cheshire West and Chester pool which means any levy payments are retained within the pool for the benefit of the area. In respect of any levy paid by Trafford it has been agreed with the other Pool members that the Council can retain one third for its own use.

The calculation of the amount of business rates to be retained is complicated. The accounting arrangements add a further layer of complexity and further still, the compensation arrangements for measures announced in the past two autumn statements make the whole scheme far from transparent. A summary of the business rate position is as follows:-

<b>Calculation of Additional Business Rates Income 2016/17</b>	<b>2016/17 Estimate £m</b>
Net Yield	(170.102)
Local Share (49%)	(83.350)
Less Tariff (Set by Govt)	44.510
Retained Rates	(38.840)
Government Baseline	(33.329)
<b>In Year Growth (Note 2)</b>	<b>(5.511)</b>
Add Section 31 Grants 2016/17 (Note 1)	(1.113)
<b>Total Income subject to levy</b>	<b>(6.624)</b>
Total Levy @50%	3.312
<b>Net Income</b>	<b>(3.312)</b>
Add GM Pool Rebate (one third 16/17 Levy)	(1.104)
Add final surplus share from 2014/15 (2)	(0.016)
Add Renewable Energy (retained in full) (2)	(0.078)
<b>Total Additional Business Rate Related Income after levy (Note 3)</b>	<b>(4.510)</b>

**Note 1:** Section 31 grants reimburse local authorities for Government initiatives to reduce the burden on business rates eg Retail Relief and extension of small business rate relief.

**Note 2** – Gross income classed as funding in table 9 Para 4.18 is £5.605m includes the items in italics.

**Note 3** - £4.510m is the total benefit from business rates over and above the retained rates baseline of £33.329m included in the budget and includes the AGMA pool levy rebate and is net of the government levy.

**Annex G**

**Revenue Budget Proposals Summary 2016/17: Subjective Analysis of Net Controllable Expenditure**

<b>Draft Base Budget 2016/17 Subjective Analysis</b>	<b>CFW (£000's)</b>	<b>EGEI (£000's)</b>	<b>T&amp;R (£000's)</b>	<b>Council- wide (£000's)</b>	<b>Total (£000's)</b>
<b>Budget Brought Forward</b>	<b>75,986</b>	<b>32,866</b>	<b>16,215</b>	<b>23,847</b>	<b>148,914</b>
Net Inflation	5,141	1,212	1,189	451	<b>7,993</b>
Levies		700		107	<b>807</b>
Legislative; Grant / Service Transfers	(157)		204	861	<b>908</b>
Investment Interest (incl.airport dividend) & Tax				(116)	<b>(116)</b>
Debt Management				(247)	<b>(247)</b>
Demographic (Quantitative)	3,000		75	1	<b>3,076</b>
Governance / Compliance				7	<b>7</b>
Other Business Consequences	2,387	94	(14)	(113)	<b>2,354</b>
<b>Total Cost Pressures</b>	<b>10,371</b>	<b>2,006</b>	<b>1,454</b>	<b>951</b>	<b>14,782</b>
Cashable Efficiencies	(2,539)	(1,792)	(603)	(111)	(5,045)
New Income		(905)	(314)	(1,245)	(2,464)
Financing Related Savings				(1,607)	(1,607)
Policy Choice	(7,260)				(7,260)
<b>Total Cost Reductions</b>	<b>(9,799)</b>	<b>(2,697)</b>	<b>(917)</b>	<b>(2,963)</b>	<b>(16,376)</b>
<b>Net Budgetary Effect of Proposals</b>	<b>572</b>	<b>(691)</b>	<b>537</b>	<b>(2,012)</b>	<b>(1,594)</b>
<b>Proposed Total budget for Year</b>	<b>76,558</b> 0.8%	<b>32,175</b> (2.1%)	<b>16,752</b> 3.3%	<b>21,835</b> (8.4%)	<b>147,320</b> (1.1%)

## Revenue Budget Proposals Summary 2016/17: Net Controllable Expenditure by Service

Service	Revised Budget 2015/16 (£000's)	Growth / Pressures 2016/17 (£000's)	Efficiency & Income 2016/17 (£000's)	Policy Choice 2016/17 (£000's)	Proposed Budget 2016/17 (£000's)	Change (£000's)	Change %
<b>Children, Families &amp; Wellbeing</b>							
<b><u>Children's Services - DSG Element</u></b>							
Dedicated Schools Grant:							
- Schools expenditure	100,359				102,535	2,176	2.2%
- Central expenditure	18,837				19,936	1,099	5.8%
- Grant	(119,196)				(122,471)	(3,275)	2.7%
<b>sub total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b><u>Children's Services - Non DSG Element</u></b>							
Education Early Years' Services	4,923	206	(32)	(230)	4,867	(56)	(1.1)%
Children's Social Services	17,270	3,019	(137)	(1,000)	19,152	1,882	10.9%
Children with Complex & Additional Needs	1,288	10	(10)	0	1,288	0	0.0%
Commissioning	1,784	177	(176)	0	1,785	1	0.1%
Multi Agency Referral & Assessment Service (MARAS)	1,600	123	(15)	0	1,708	108	6.8%
Youth Offending Service	271	23	(8)	0	286	15	5.5%
Early Help Delivery Model	904	140	(17)	(200)	827	(77)	(8.5)%
<b>sub total</b>	<b>28,040</b>	<b>3,698</b>	<b>(395)</b>	<b>(1,430)</b>	<b>29,913</b>	<b>1,873</b>	<b>6.7%</b>
<b>CFW Children's Services sub total</b>	<b>28,040</b>	<b>3,698</b>	<b>(395)</b>	<b>(1,430)</b>	<b>29,913</b>	<b>1,873</b>	<b>6.7%</b>

Service	Revised Budget 2015/16 (£000's)	Growth / Pressures 2016/17 (£000's)	Efficiency & Income 2016/17 (£000's)	Policy Choice 2016/17 (£000's)	Proposed Budget 2016/17 (£000's)	Change (£000's)	Change %
<b>Adult Social Services</b>							
Long Term Support - client costs	38,757	3,946	(106)	(3,800)	38,797	40	0.1%
Short Term Support - client costs	557	12	0	0	569	12	2.2%
Social Support - Adult Placement/Carers Commissioned services	849	19	0	0	868	19	2.2%
Assistive Equipment & Technology	1,473	10	(260)	0	1,223	(250)	(17.0)%
Social Care Activities - Care Management Information and Early Intervention - Preventative Services	11,804	1,138	(927)	(1,150)	10,865	(939)	(8.0)%
Commissioning and Service Delivery	935	25	(1)	(80)	879	(56)	(6.0)%
Non-Adult Social Care - Supporting People	767	182	(23)	0	926	159	20.7%
DH Funding and un-allocated savings	0	2	(2)	0	0	0	0.0%
<b>sub total</b>	<b>(6,328)</b>	<b>244</b>	<b>(825)</b>	<b>0</b>	<b>(6,909)</b>	<b>(581)</b>	<b>(9.2)%</b>
	<b>48,814</b>	<b>5,578</b>	<b>(2,144)</b>	<b>(5,030)</b>	<b>47,218</b>	<b>(1,596)</b>	<b>(3.3)%</b>
<b>Public Health</b>							
Public Health	(868)	1,095	0	(800)	(573)	295	34.0%
<b>sub total</b>	<b>(868)</b>	<b>1,095</b>	<b>0</b>	<b>(800)</b>	<b>(573)</b>	<b>295</b>	<b>34.0%</b>
<b>CFW Adult Services sub total</b>	<b>47,946</b>	<b>6,673</b>	<b>(2,144)</b>	<b>(5,830)</b>	<b>46,645</b>	<b>(1,301)</b>	<b>(2.7)%</b>
<b>Total Children, Families &amp; Wellbeing</b>	<b>75,986</b>	<b>10,371</b>	<b>(2,539)</b>	<b>(7,260)</b>	<b>76,558</b>	<b>572</b>	<b>0.8%</b>

Service	Revised Budget 2015/16 (£000's)	Growth / Pressures 2016/17 (£000's)	Efficiency & Income 2016/17 (£000's)	Policy Choice 2016/17 (£000's)	Proposed Budget 2016/17 (£000's)	Change (£000's)	Change %
<b>Economic Growth, Environment &amp; Infrastructure</b>							
<b><u>Environmental, Technical &amp; Property Services</u></b>							
<b>One Trafford Partnership:</b>							
Environmental Services	7,975	413	(672)		7,716	(259)	(3.2)%
Highways Services	1,630	108	(140)		1,598	(32)	(2.0)%
Street Lighting Services	780	46	(150)		676	(104)	(13.3)%
Technical & Property Services	2,351	82	(199)		2,234	(117)	(5.0)%
Corporate Landlord - Property	1,185	199	(192)		1,192	7	0.6%
<b>Other Services:</b>							
Street Lighting Energy	1,715	95	(410)		1,400	(315)	(18.4)%
Media Advertising	(369)	1	(300)		(668)	(299)	(81.0)%
Waste Disposal Levy	14,209	700			14,909	700	4.9%
Strategic Management	482	24	(13)		493	11	2.3%
<b>sub total</b>	<b>29,958</b>	<b>1,668</b>	<b>(2,076)</b>	<b>0</b>	<b>29,550</b>	<b>(408)</b>	<b>(1.4)%</b>

Service	Revised Budget 2015/16 (£000's)	Growth / Pressures 2016/17 (£000's)	Efficiency & Income 2016/17 (£000's)	Policy Choice 2016/17 (£000's)	Proposed Budget 2016/17 (£000's)	Change (£000's)	Change %
<b><u>Economic Growth &amp; Planning</u></b>							
Economic Growth	804	18	(145)		677	(127)	(15.8)%
Housing Strategy	429	23	(14)		438	9	2.1%
Strategic Planning & Growth	437	19	(13)		443	6	1.4%
Sustainability & Greenspace	265	15	(8)		272	7	2.6%
Planning & Development	47	54	(101)		0	(47)	(100.0)%
Building Control	(180)	14			(166)	14	7.8%
Public Protection & Enforcement	780	64	(56)		788	8	1.0%
Parking Services	(539)	40	(208)		(707)	(168)	(31.2)%
Strategic Management & Support Services	865	91	(76)		880	15	1.7%
<b>sub total</b>	<b>2,908</b>	<b>338</b>	<b>(621)</b>	<b>0</b>	<b>2,625</b>	<b>(283)</b>	<b>(9.7)</b>
<b>Total Economic Growth, Environment &amp; Infrastructure</b>	<b>32,866</b>	<b>2,006</b>	<b>(2,697)</b>	<b>0</b>	<b>32,175</b>	<b>(691)</b>	<b>(2.1)%</b>

Service	Revised Budget 2015/16 (£000's)	Growth / Pressures 2016/17 (£000's)	Efficiency & Income 2016/17 (£000's)	Policy Choice 2016/17 (£000's)	Proposed Budget 2016/17 (£000's)	Change (£000's)	Change %
<b><u>Transformation and Resources</u></b>							
Legal & Democratic Services	2,285	142	(65)		2,362	77	3.4%
Access Trafford	2,445	275	(63)		2,657	212	8.7%
ICT Services	2,052	245	(22)		2,275	223	10.9%
Communications	255	11	(18)		248	(7)	(2.7)%
Finance Services	4,410	643	(233)		4,820	410	9.3%
Partnerships and Communities	1,571	167	(75)		1,663	92	5.9%
Culture and Sport	1,161	(400)	(62)		699	(462)	(39.8)%
Human Resources	2,239	145	(139)		2,245	6	0.3%
Executive	361	14	(4)		371	10	2.8%
Transformation	170	2	(2)		170	0	0.0%
School Crossing Patrols	403	7	(4)		406	3	0.7%
Bereavement Services	(1,128)	15	(30)		(1,143)	(15)	(1.3)%
Operational Services for Education	(9)	188	(200)		(21)	(12)	(133.3)%
<b>Total Transformation &amp; Resources</b>	<b>16,215</b>	<b>1,454</b>	<b>(917)</b>	<b>0</b>	<b>16,752</b>	<b>537</b>	<b>3.3%</b>

Service	Revised Budget 2015/16 (£000's)	Growth / Pressures 2016/17 (£000's)	Efficiency & Income 2016/17 (£000's)	Policy Choice 2016/17 (£000's)	Proposed Budget 2016/17 (£000's)	Change (£000's)	Change %
<b><u>Council-wide Budgets</u></b>							
Precepts, Levies & Subscriptions	17,720	116	(5)		17,831	111	0.6%
Contingencies & Provisions	2,535	327	(55)		2,807	272	10.7%
Treasury Management	7,919	(363)	(2,852)		4,704	(3,215)	(40.6)%
Insurance	875				875	0	0.0%
Members Expenses	904	10	(51)		863	(41)	(4.5)%
Other Centrally held budgets	189	9			198	9	4.8%
Specific Grants	(8,308)	657			(7,651)	657	7.9%
Business Rates	2,013	195			2,208	195	9.7%
<b>Total Council-wide Budgets</b>	<b>23,847</b>	<b>951</b>	<b>(2,963)</b>	<b>0</b>	<b>21,835</b>	<b>(2,012)</b>	<b>(8.4)%</b>
<b>Total All Services</b>	<b>148,914</b>	<b>14,782</b>	<b>(9,116)</b>	<b>(7,260)</b>	<b>147,320</b>	<b>(1,594)</b>	<b>(1.1)%</b>



**REPORT of the DIRECTOR OF FINANCE  
to the COUNCIL 17 FEBRUARY 2016**

**ROBUSTNESS of the 2016/17 PROPOSED BUDGET ESTIMATES  
(S25-26 LGA 2003)**

**1. INTRODUCTION**

- 1.1 The Local Government Act 2003 requires the Chief Finance Officer (Director of Finance) to report independently to the Council his own opinion as to the robustness of the budget requirement estimate (S25 of the Act) and on the adequacy of reserves (S26).
- 1.2 The Law requires that such a report is put before Council as part of the overall budget deliberations, and that such a report be considered prior to the approval of the Budget Requirement and the setting of a Council Tax.
- 1.3 A summary of this report providing the general opinion is included within the main report at section 5.

**2. BACKGROUND**

- 2.1 The budget process has involved the identification or forecasting of spending needs, likely resource availability, and opportunities for efficiencies, income generation and resource realignment. Issues identified during the 2015/16 budget monitoring process and planning process review have been addressed in the 2016/17 budget wherever appropriate.
- 2.2 The process has involved the Executive Portfolio Holders, members of the Corporate Management Team and other service management supported by Finance Managers.
- 2.3 All budget managers have been requested to agree their budget working papers and are therefore aware of their proposed budget for 2016/17, and the assumptions the budget is based on, which includes income targets.
- 2.4 With the support of the senior Finance staff within the Transformation & Resources directorate, I have undertaken a review of the Executive's budget proposals at varying levels of detail taking into account known factors that will have a significant bearing on the conduct of the Council's business in 2016/17 and the medium term. Importantly it includes discussion, information and assurances supplied by Directors and other senior staff.
- 2.5 At a detailed level budgets are based on forecasted activity and have been subject to appropriate challenge, sensitivity analysis and that they reasonably allow for a degree of error. Risks can be mitigated through a variety of management actions and the Corporate Management Team has ensured that in higher risk areas additional capacity and rigour has been put in place to ensure forecast savings are robust and are capable of being delivered during the year. Savings will continue to be monitored

through the CMT Transformation Board, the CFW Programme Board as well as the established monthly financial monitoring of all Council activity on an outturn basis from June each year. A risk based approach to budget monitoring has been introduced during the year to reflect reduced capacity in support services.

- 2.6 I have also taken account of how the Council is likely to react if an adverse financial situation was to arise during the year. This helps in assessing the adequacy of reserves. The Council acted positively in 2014 when faced with an unexpected financial difficulty which has led me to the view that despite an increasingly challenging financial environment the minimum level of reserve can remain at the current level of £6m as a reasonable amount to cover for unforeseen circumstances not included in the detailed budget proposals.
- 2.7 The year ahead presents a number of financial challenges, and in particular I would draw Members' attention to areas of uncertainty for which mitigating action is included in the budget and/or reserves, if required;
- The scale of savings required, in particular the CFW directorate, continues to be demanding on the capacity of managers and staff;
  - The Council could face legal challenge in the decisions it makes, and whilst every effort has been made to guard against the likelihood of successful challenge, the costs of defending any such proceedings could be significant;
  - The uncertainty that exists on demand led services;
  - There is significant reliance on business rates growth to support its spending plans particularly the new power plant based in Carrington and there are still a large volume of unsettled business rate appeals where the Council carries a major risk, albeit a provision has been included in the accounts. In addition NHS Trusts have recently made a case for mandatory relief on the grounds they are classed as a charitable trust. This is a national issue that is being considered but if they were successful would have major adverse financial implications on the Council.
  - There are still decisions outstanding nationally on the basis of distribution of public health grant which could have an impact on the level of grant in 2016/17
  - There are ongoing consultations on the new homes bonus grant and anticipated consultations on school funding and the Education Services Grant although unlikely to have any adverse impact in 2016/17.

### **3. OUTCOME OF REVIEW**

- 3.1 All aspects of the budget have been reviewed to ensure that reasonableness (robustness) tests have been carried out, that detailed calculations are sound, and that the risks have been quantified and provided for as far as possible. As part of the review of draft savings proposals, risk assessment and mitigating action a number of changes in assumptions were subsequently made, the salient ones are as follows
- Increase budget provision within Children and Adults Social Care demography (already in draft budget though)

- The establishment of a Budget Support Reserve of £xxm, to provide a cushion against volatility in budget funding and the significant level of savings required over the medium term.
- Adjustment to the income from Business Rates to reflect potential delay in new power station being brought online
- Increase in waste levy budget to reflect the updated forecasts from the Waste Disposal Authority
- Council tax levy for social care
- Outcome of the consultation on the distribution methodology for Public Health Grant still awaited

#### **4. CONCLUSION**

This statement is not a guarantee that expenditure will be contained within each budget line as the nature of the Council's business means that some services will be placed under financial pressure at various times throughout the year. Therefore it is an assessment of the overall budget package and whether there is a reasonable expectation that the budget overall will not be breached.

On the basis of the above mentioned financial planning and monitoring processes together with the risk assessment of the budget, the Director of Finance is able to report (in accordance with Section 25 of the Local Government Act 2003) that the estimates made for the purposes of the calculation of the budget are robust and (in accordance with Section 26 of the Local Government Act 2003) the level of reserves and balances are adequate.

## Children, Families and Wellbeing

The Directorate was established in April 2013 from the amalgamation of Children's, Adults and Public Health services and has the responsibility for a wide range of services across Education, Health and Social Care.

The Directorate has developed a strong universal identity which aims to deliver high quality services and offer excellent value for money to its customers, based on an integrated partnership approach. The budget proposals described for 2016/17 continue the major reshaping of the Directorate over the next two years underpinned by the following key principles:

- Integration and Partnership Working
- Safeguarding
- Market Management and Quality Assurance
- Management of Demand
- Individual Support for Vulnerable Groups
- Promotion of Independence

We are exceptionally proud of the quality of our children's and adults' services. Below are some notable achievements and performance indicators which demonstrate this:

### Children's Services

- Trafford Council Children Services supported 3,305 clients in 2014/15.
- Pupil attainment is almost unrivalled:
  - 94% of pupils attending good or outstanding schools with 57% in outstanding schools
  - Early Years Foundation Stage – 68% of pupils achieving a good level of development the 7<sup>th</sup> best performance nationally and the highest in the North West.
  - Key Stage 2 – 87% of pupils achieving a Level 4+ in Reading, Writing and Mathematics the joint best performance nationally
  - Key Stage 4 – 72% of pupils achieving 5 A\*-C GCSE including English and Mathematics the 4<sup>th</sup> best performance nationally.
- Joint highest OFSTED rating in the Country for Children's Services citing 'many examples of innovation, hard work and determination demonstrated by elected members, officers and workers at all levels to ensure that vulnerable children and families get the best possible service'.
- The only 'Outstanding' rating issued by OFSTED for children leaving care.
- Trafford's 0-17 estimate population is 53,687, a 1.4% increase from last year's issued figure.
- Overall Trafford has the lowest NEET rate in the region and we continue to maintain a downward trend.
- Care leavers in education, employment and training currently stands at 70.6% being recorded in EET. This is the second highest percentage position this reporting year. This compares favourably with the national figure of 48% in the recent release.
- The number of schools that are now causing concern for Trafford has decreased since 2014 (total number was 11 in 2014 and is now 8).
- The headline figure within the published CiN census, Child Protection plans as at 31st March 2015, shows Trafford with a rate 46.9 per 10,000 children being the subject of a plan. This is significantly lower than last year when the figure was 53.7.
- The rate of referrals in Trafford has reduced for the second successive year and by a significant amount from last year (382.8 compared with 466). Whilst reductions were seen in all comparator groups, none of the reductions were on a scale seen in Trafford (18%).

## **Adult Social Care**

- Trafford Council's Adult Services undertake a substantial level of activity and in 2014-15 we;
  - supported 5,939 residents with care packages
  - provided services to 9,620 users and carers
  - helped 5,157 carers with services or advice and information
  - provided 668,084 hours of external home care support
- The transformation of Adult Services over the last 12 months has been substantial with new services developed to meet the needs of vulnerable adults more efficiently. This includes;
  - Embedding the reshaping social care policy, applying it to all new cases and to cases due for reassessment
  - Establishment of a new approach to reablement that provides a range of options depending on individual need to complement the restructured internal service.
  - A review of Learning Disability services with investment in assessment and review functions to ensure care packages meet individual needs leading to improved support at a lower cost.
  - Development of an integrated commissioning service on an all-age basis to support better use of resources and improving relationships with providers.
  - Testing out new ways of using assistive technology to support individuals within their own homes
- 13.7% of people with Learning Disabilities known to the Council have been assisted into paid employment. This is one of the highest rates in the country and an improvement on 12.4% in 2013/14. The corresponding average for 2014/15 for the North West is 4.2% and for England is 6%.

## **Public Health**

This area of the CFW's core business represented approximately £11.70m of the Council's total gross revenue expenditure in 2015/16. The public health grant funds a wide range of services which focus on the promotion of wellbeing, the management of health inequalities and the facilitation of resilient communities across the Borough of Trafford. The service area commissions a range of public health services to people in Trafford. The services are designed to:-

- Improve significantly the health and wellbeing of the people of Trafford.
- Carry out health protection functions.
- Reduce health inequalities across the life course, including within hard to reach groups.

The mandated public health services for the local authority are:

- National Child Measurement Programme.
- NHS health checks.
- Public health advice to the Clinical Commissioning Group,
- Sexual health commissioning.
- Protecting the health of the local population.

The public health services currently focus on a range of areas, including:-

- Sexual health including STI testing, treatment and contraception.
- NHS health check programme.
- Local authority role in health protection.
- Public health advice, information and early intervention.
- National Child Measurement Programme.
- Healthy weight and specialist weight management services for adults and children.
- Healthy heart care.
- Wellbeing physical activity sessions for adults.

- Substance misuse and alcohol services for young people and adults.
- Stop smoking services and interventions.
- Children's 0- 5 and 5-19 public health programmes.

Public Health has continued its successful transition into Trafford Council and has developed closer links with other directorates in the Council to enhance the improvement of public health outcomes in Trafford. A comprehensive Public Health Delivery Plan for 15/16 is in place. Progress on this is overseen by the Public Health Delivery group. We will continue to work closely with the Trafford Clinical Commissioning Group through our core offer of public health support to the healthcare agenda and other partners such as the police and community safety partnerships to assess the current and future health needs and assets of the local community. We will work with all our partners and the community in order to deliver services based on local needs whilst addressing the requirements of the national Public health Outcomes Framework.

A robust framework to ensure optimal use of the Public health transitional grant has been adopted to ensure public health schemes are agreed in line with best practice, evidence and potential to improve outcomes, e.g.

- Trafford has the highest rate of cytology (smear test) screening across Greater Manchester with a rate of approx. 80% of the eligible population being screened.
- Trafford has a higher than average rate of completion for people going through a treatment programme for substance misuse issues.
- Trafford has the highest breastfeeding rate in the region at 54% which evidence suggests has a substantial impact on the future health outcomes of a child.
- The transfer of responsibility from NHS England to the Council for 0-5 community health provision including, health visiting, was managed smoothly and took effect on the 1<sup>st</sup> October 2015.

### **Approach to Budget**

The Council has established a dedicated programme to support CFW in the delivery of its savings over 2015-18 and it has set out the following delivery objectives:

- To embrace the opportunities of GM Health and Social Care devolution and collaboration across the sub-region
- To establish an all age integrated health and social care service.
- To achieve greater levels of independence for our residents and service users.
- To divert unnecessary demand away from the health and social care system at the earliest opportunity.
- To wrap support around the family where it is required and work intensively to facilitate independence and confidence.
- To manage and incentivise our suppliers to reduce demand.
- To create financial and delivery efficiencies.
- To establish rigorous performance management and quality assurance arrangements
- To comply with statutory and regulatory frameworks.
- To support the development of the workforce equipping them for the challenges of today and into the future.
- To embrace technology and use it more effectively to increase capacity across the workforce.
- To enable commissioning decisions to be made wherever the budgetary responsibility sits.
- To provide effective governance for care planning arrangements.
- To maximise income where appropriate and in line with policy and legislation.
- To manage the external market identifying capacity risks and opportunities.

A structured approach ensures that the savings proposals are fully aligned to the programme objectives which in turn are aligned to the principles of 'Reshaping Trafford Council' and the themes

of the new organisational model. The business cases for these have been reviewed throughout the budgets process and the financial impact updated following consideration of the latest baseline reports.

### **Optimise Processes and Structures (£0.380m)**

The principle is to ensure efficient use of resources and remove duplication providing a more co-ordinated approach for Trafford residents.

#### Social Care Travel

In the future we want our social care travel arrangements to continue to be efficient, good quality and promote independence. We aim to redesign our service so it is based on an all age model, in line with our wider proposals. Activity will therefore include:

- Alignment of transport budgets and policies across children's and adults' services which will require a consultation on a revised travel assistance policy.
- Development of a unified procurement processes for adults and children's social care transport provision.
- A review of processes to achieve clarity over eligibility, application and authorisation of social care travel provision; in essence a unified process for administering an all age travel support function.
- Moving to pick up points rather than home pick up where appropriate for those that are able to.
- A review of our responsibilities for the provision of equipment on vehicles.

### **Integration & Collaboration (£0.300m)**

We want to establish an integrated all age service that provides a clear offer for Trafford residents giving them access to co-ordinated services when they need them. There is a substantial benefit for residents in these proposals as the health and social care system can seem very fragmented so we know it is not easy to navigate through our structures to get to the right service.

#### All Age Health And Social Care Frontline Workforce Reforms

Trafford Council has an excellent reputation of working in partnership and seeks to collaborate in the pursuit of better quality and more cost effective services.

We have already established an integrated health and social care service for children's social care and community health provision, and are in progress with the equivalent for adult services. We also have a long established integrated commissioning arrangement for children's health services with Trafford Clinical Commissioning Group (CCG) governed by a section 75 agreement.

We are in the process of implementing the extension of these arrangements on an all age basis, as described and agreed in last year's budget consultation proposals, and are working with health partners to prepare for the devolution of health budgets to Greater Manchester. Integration is a key element of the devolution agreement, so we are already in a good starting place.

A restructure and culture shift is required across the CFW workforce to account for the following transformational developments:

- The implementation of the all age health and social care delivery model from April 2016.
- The current Reshaping Social Care in adult social care and plans to roll this out across the directorate in 2016.

The work will move the directorate into an integrated provider model including health & social care, and also the following all age service redesign projects:

- All age Complex Additional Needs/Learning Disability Service redesign.

- Keeping Families Together.
- All Age Front Door.

### Front Door

It has been determined through a period of research that CFW needs to simplify the way people access our services for all age groups and in partnership with other agencies. It is evident that there are several access points to services which create confusion, delays and wasted opportunities to provide solutions to problems swiftly. These problems then escalate, costing more in terms of staff time and support packages overall. The way in which service users access services is now being redesigned on an all age basis, to manage these issues, through three approaches:

1. Promoting self-help and building a resilient community through e.g. better signposting to non-Council support services, advice and information and greater promotion of our comprehensive service directory.
2. Having a single point of access for members of the community, agencies and professionals to contact us if they are concerned for someone's welfare.
3. Development of an All Age Multi-Agency Safeguarding Service to ensure vulnerable children and adults receive an appropriate response and the Public Sector works well together to meet their needs.

### **Promoting Independence (£2.270m)**

A key principle of our approach is to enable resilient communities and individuals in Trafford by promoting independence wherever possible. Feedback has been clear that this approach is what people want and it is important that we help people to help themselves building their ability to do so rather than providing services that create dependency.

### Pathways (Building based day support)

Pathways is a Council run centre that provides non-statutory highly individualised day support for people with complex learning disabilities and living within the catchment areas of Trafford.

The proposal is to explore an alternative delivery arrangement which would provide day support services through a network model of services delivered by the independent and voluntary and community sector. Capacity would be created to support existing service users and also reintegrate out of borough placements and meet the needs of new service users more creatively.

### Supported Living

There are currently 6 supported living establishments provided by the Council which provide homes in the community for adults and young people with learning disabilities. We are proposing to reduce our internal provision and work with the provider market to ensure sufficient supported living provision in the borough.

### Reablement

The saving of £810k has already been achieved due to the full year effect of the changes made in 2015-16 and is not based on further changes to the service. Embedding a new approach to reablement should have a substantial impact on demand management in 2016-17 as we help people to recover from illness and short term disability. The first phase of remodelling of our reablement service has concluded and a smaller, more focused team remains in place to test out a range of new ways of working with people whose needs would benefit from short term support.

A new intensive support service has been commissioned as part of the system redesign, called 'Stabilise and make safe'. This provides interventions more rapidly and with more frequent re-assessment to check progress across a 2 week period rather than a 6 week period. Early



indications show patients are leaving the care pathway more quickly and with good results. In 2016 the 'stabilise and make safe' model will be reviewed and rolled out, with phase 2 of a review of the Council's reablement service undertaken in this context.

A 'home from hospital' volunteer service has also been commissioned which will support low risk patients when they leave hospital to settle back in at home.

#### Intermediate Care/Ascot House Review

Ascot House provides a bed based social care, rehabilitation and assessment function with a small component of respite. However, going forward the proposal for 'step down' care services in Trafford will be more targeted and delivered by others. Therefore the Council needs to determine the best use of this facility. The CCG are in the process of establishing an intermediate care pilot at Ascot House which will support the increased demand on hospital services.

We aim to review the current pilot funded by the CCG and pending this review, develop more detailed proposals for Ascot House to better meet the demands placed upon the health and social care sector.

#### Rapid response

Rapid Response was originally set up many years ago as an emergency service dealing with care issues in people's homes with the aim of reducing the number of hospital admissions and admissions to residential settings. Over time other provision has broadened and there is now duplication in this type of service provision in Trafford. It is therefore proposed to review the future viability and delivery options for this service.

#### Aids & Adaptations

This service has evolved over time to be quite complex in terms of its funding arrangements and offer to service users. Analysis shows there are several quality, financial and process issues with the service model. As a result a whole service review will be undertaken to ensure the operation of a more efficient and high quality service for customers and staff and clearer working arrangements with partners.

#### Assistive Technology

The use of assistive technology to maintain independence longer and reduce the overall cost of a care package is an important element of re-shaping social care packages for adults.

The Council has been piloting new ways of delivering assistive technology and this concludes in March 2016. In 2016/17 we aim to have secured a strategic partner who will support us to deliver assistive technology in 2 ways:

*Universal offer:* available to all on a charged for basis.

*Targeted offer:* available to those eligible for support from social care and funded by the Council.

Savings will accrue as a result of the procurement process and a re-specified service model. There will however be greater savings in care package costs as a result of applying assistive technology solutions, aligned to the reshaping social care policy.

#### **Commissioning (£1.830m)**

This is effectively about how we use our resources to fund externally provided services. It represents a substantial level of expenditure equating to approximately £35m per annum within the

scope of this theme. The largest areas of spend are on homecare, residential and nursing care for older people and we will engage with both providers and recipients of these services throughout the review process. Due to individual contractual arrangements these negotiations operate on an ongoing basis so we are not in a position to specify at this stage which contracts will be affected. Engagement with providers and service users will be undertaken where appropriate at an individual service level.

#### Extra Care Re-procurement

The term 'extra care' housing is used to describe developments that comprise self-contained flats within a multi-purpose building, with design features and support services available to enable self-care and independent living. Extra care housing is popular with people whose disabilities, frailty or health needs make ordinary housing unsuitable but who do not need or want to move to long term care (residential or nursing homes).

There are currently three extra care schemes operating in Trafford at Fiona Gardens, Newhaven, and Elkin Court with the development of fourth at Shrewsbury Street due to open in 2017.

Savings will be achieved through re-tendering support contracts that are due to end and alignment of the wellbeing charge for extra care services across all sites so residents all contribute to the care on site at the same rate.

#### Commissioning/market management

There are a range of contracts which are under review currently to consider the optimum service model and financial investment. Through the reviews efficiencies will be identified across a number of services which have not been previously subject to market testing.

As Greater Manchester devolution progresses at pace we are talking to neighbouring local authorities about wider collaboration to commission core services, like homecare, across a much greater footprint to deliver improved market stability and a price that reflects the impact of the living wage. This may result in cost increases in the short term which will be managed through reducing demand through making people more independent.

#### Education & Early Years

The Education and Early Years' Service provides consultancy, support and advice to the education sector and private, voluntary and independent (PVI) early years sector. The service also operates the Council's service directory.

Savings will be achieved through the following activities:

- A restructure of the Early Years Commissioning Service.
- Review of the financial support available to early education and childcare providers for
  - Eligible qualifications studied.
  - Sufficiency grants.
- Reducing a range of resource and premises budgets.

#### **Income Generation – estimated income: (£0.105m)**

The Council is aiming to increase its financial assessment charges in adult social care through data matching of information in the assessments it carries out.

## **Eligibility & Access (£4.650m)**

This theme is focused on the way in which we assess and then meet the needs of vulnerable children, adults and older people at an individual level. This is by far the biggest area of spend within the Directorate with around £56m is currently spent on care packages across all age groups. The programme is very much an extension of the work started in Adults services in April 2015 with residents and their families involved in both the assessment and care planning to minimise the impact of changes as far as possible. In addition there is a focus on demand management and we want to meet need at the most appropriate level to try and ease pressure on high cost specialist services. We know that as well as having a financial benefit, preventing escalation of need in this way is far better for our residents.

### Reshaping Adult Social Care

Individual packages of care for social care and health account for a very significant proportion of budgeted expenditure for the Council and our partners. Those costs are rising. As demand increases linked to an ageing population and an increase of children coming into care, costs are rising.

We will undertake the following activity to achieve additional savings in this area:

- Continuing to implement our revised Reshaping Social Care Policy which was publically consulted on in 2014 and agreed for implementation from April 2015. Applying the principle that public funding should only be used after the use of local community services, adaptations, equipment and technology have been explored to the fullest potential in line with the Care Act.
- Using assistive technology more widely across all service user groups, to promote independence and relieve the pressure on carers. In doing this we will reduce care costs. We are undertaking a pilot to test our approach before formally commissioning a new service from 2016 to support the reshaped social care offer and to provide step down solutions to meet need.
- Consistently assessing need across all ages through a consistent and objective modelling tool for the funding of care packages.

### Reshaping Social Care through the delivery of new ways of working

- Keeping Families Together

Services which offer a range of support services to families who are in crisis but currently operate separately will be reviewed to unify and reconfigure them into a single delivery model known as 'Keeping Families Together' (KFT). This will offer a more co-ordinated and flexible approach across children's and adults services to achieve greater impact.

The KFT service will be particularly focussed on young people with issues that are leading to family break-up; and it would be Trafford specific. It would operate on a 24/7 basis helping families at the times they find most stressful on the issues that are creating conflict/difficulty in their own environment. This will enable a flexible offer to respond to issues in creative ways using whole family approaches e.g. direct work with children and young people, work with parents to build their parenting capacity, supporting siblings, wider family members and carers by bringing in the specific skills and resources of other agencies as appropriate (building on the Stronger Families approach). It would pull the most effective models already established together to create a menu of options most suited to the family needs.

- Children in Care

A range of options will be reviewed to reduce the costs and demands on our children in care services. This will involve a review of in house provision, placement costs, service delivery models and funding arrangements. A commissioning strategy will present the totality of the changes which are planned and incorporate some workstreams within the 'commissioning' theme.

During 2016-17 we will be putting in place the foundations for a more sustainable approach and it is likely the main benefits will be in future years. Keeping Families Together will be critical in this.

### Learning Disability, Complex Additional Needs & Personal Budgets

CFW have committed to developing an all age offer for children, young people, adults and older people with learning disabilities and/or autism. The ambition is that this will allow an all age approach to supporting children and adults with learning disabilities and/or autism, improving outcomes, enabling people of all ages to have access to appropriate support in a planned way. Successful implementation of this approach will minimise crises, avoid emergency high-cost placements, enable higher levels of independence and deliver a best value care offer in line with the Reshaping Care offer.

In addition the work on the LD600 undertaken in 2015-16, following the same principles as reshaping care, has had a substantial impact on those cases reviewed to date. An acceleration of this work in 2016-17 will see improved outcomes and a reduction in costs from individual packages by finding much better ways of meeting individual's needs. The 'offer' for adults with learning disabilities needs to be far more co-ordinated to ensure the most appropriate environment for each individual.

### Public Health

The government announced an in year reduction to Public Health grant budgets for 2015-16 and this will be retained in 2016-17. In Trafford this equates to £772k out of a total grant of £12.5million. An analysis of all expenditure from the ringfenced grant is being undertaken to assess the risk of changes to services in 2016-17 and provide options for approval. This will be done in conjunction with Trafford CCG to mitigate impact across the broader health and social care system.

## Budget Movement Summary 2016/17

The following summary table categorises the movement in the Directorate's budget for 2016/17. The Savings are also cross referenced to the Savings Schedules below.

<b>Children, Families and Wellbeing</b>	<b>2016/17 (£000's)</b>	<b>Savings Schedule Reference(s)</b>
Budget Brought Forward	75,986	
Additional Resources to meet Pressures:		
- Pay Related Inflation	1,220	
- Contract Related Inflation	3,657	
- Specific Grant Reductions	1,845	
- New or Increased Specific Grants	(2,002)	
- New Statutory Responsibilities	-	
- Demographic	3,000	
- Governance/Compliance	-	
- Business Consequences	2,387	
- Terms and Conditions	264	
<b>Total new resources allocated</b>	<b>10,371</b>	
Resource Reallocations through		
- Efficiencies	(2,539)	CS1, CS2, CS2a, ASS7, ASS8, ASS9, ASS10, ASS11 (a), ASS12
- Policy Choices	(7,260)	CS3, CS4, CS5, ASS13, ASS14, ASS15, ASS16, ASS17, ASS18, ASS19
<b>Total Savings</b>	<b>(9,799)</b>	
Net Year-On-Year Change	572 0.8%	
<b>Net Budget Proposal</b>	<b>76,558</b>	

## Children, Families and Wellbeing – Schedule of Savings

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	CS	1	All Services	Market Management - Inflation and contract management with providers	Efficiency	Buying Better	(100)	<p>Saving has two component parts;</p> <ul style="list-style-type: none"> <li>• Inflation management - Impact will vary across markets and we have particular concerns about homecare, residential and nursing providers ability to absorb changes so mitigation may be required with a clear understanding of the 'fair price for care' and impact of National Living Wage</li> <li>• Review of contracts – Impact will be assessed through the commissioning process for individual service users and an EIA undertaken where appropriate.</li> </ul> <p>Overall elements of the saving can be achieved through efficiencies but in vulnerable areas of the market mitigation will be required to manage impact.</p>
CFW	CS	2	All Services	Service structure and role remodelling across the CFW workforce	Efficiency	Joined up and working together	(150)	<p>Major projects such as All Age Integration and the redesign of the integrated front door will drive these efficiencies. The aim is to achieve them by reducing duplication in the system and moving to a more streamlined approach to allocating workforce resources. The original saving of £(375)k has been reduced in 2016/17 to reflect the updated timetable for delivery of the saving.</p>

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	CS	2a	All Services	Terms and Conditions	Efficiency		(145)	Reinstate Terms and Conditions savings
<b>Efficiency sub-total</b>							<b>(395)</b>	
CFW	CS	3	Social care transport services	Move to an all age approach to the provision of social care travel	Policy Choice	Working Smarter	(30)	This is building on the work that has been done already to efficiently manage the provision of school transport. The revised policy will operate on an all age basis and will mitigate impact by ensuring all eligible residents receive appropriate transport provision in line with their assessed need. The policy will be based on statutory guidance and relevant legislation. This will mean residents will not receive transport support where they are not eligible. An EIA is being undertaken as part of the policy implementation. Specific consultation on the All Age Travel Policy is still being evaluated and £70,000 has been set aside to help with any changes. A further report on the outcome of this consultation will be reported to Executive in March 2016.
CFW	CS	4	Education and Early Years	Review of the level of staffing and the provision of grants	Policy Choice	Buying Better	(200)	There will be some impact on the level of support provided to Early Years providers and accessibility of grants for workforce development that have previously been provided.
CFW	CS	5	Early Help	Full year effect of disestablished posts and savings derived from vacated premises	Policy Choice	Buying Better	(200)	This saving represents the full year effect of the restructure of Early Help that took place in 2015/16 so no further impact identified for 2016-17.

Dir'	Portfolio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	CS	6	All Services	Reshaping Care - Reviewing demand and support for CiC	Policy Choice	Eligibility & Access	(1,000)	This saving will include the Keeping Families Together project and the review of Looked After Children placements and services which is now underway.
<b>Policy Choice sub-total</b>							<b>(1,430)</b>	.
<b>Total All Proposals Children's Services</b>							<b>(1,825)</b>	

### Portfolio Key

**CS:** Children's Services Portfolio

**ASS&CW:** Adult Social Services & Community Wellbeing Portfolio

**E&O:** Environment & Operations Portfolio

**EGP:** Economic Growth & Planning Portfolio

**C&P:** Communities & Partnerships

**T&R:** Transformation & Resources Portfolio

**F:** Finance Portfolio



Dir'	Port-folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	ASS&CW	7	All Services	Market Management - Inflation and contract management with providers	Efficiency	Buying Better	(450)	Impact is set out in CS1 above as this will form part of the same programme of activity.
CFW	ASS&CW	8	All Services	Service structure and role remodelling across the CFW workforce	Efficiency	Joined up and working together	(150)	Impact is set out in CS2 above as this will form part of the same programme of activity. The original saving of £(375)k has been reduced in 2016/17 to reflect the updated timetable for delivery of the saving.
CFW	ASS&CW	9	Care Management	Reablement - this represents the full year effect of decisions implemented in 2015-16	Efficiency	Promoting Independence	(810)	This is the full year effect of activity undertaken in 2015-16 to redesign the reablement offer. No further impact is identified for 2016-17
CFW	ASS&CW	10	Equipment	Aids and Adaptations - ensure effective processes and the optimum combination of funding for the provision of aids and adaptations to client properties	Efficiency	Promoting Independence	(260)	There is scope to capitalise some spend currently categorised as revenue and to improve the efficiency and effectiveness of the current means of service provision. Any service impact will be positive through a redesign of the current system that has significant issues with delay.
CFW	ASS&CW	11	Supported Living	Review the provision of supported living accommodation to clients with learning disabilities	Efficiency	Promoting Independence	(250)	Work has been on-going during 14-15 to manage voids in the supported living network. It is expected to release one of the six remaining properties in 2016-17 through use of existing vacant flats.
CFW	ASS&CW	11a	All	Terms and Conditions	Efficiency		(119)	Reinstate Terms and Conditions savings

Dir'	Port-folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	ASS&CW	12	All services Exchequer/ASS&CW	Review charges	Efficiency	Working Smarter	(105)	Increased financial assessment charges in adult social care due to data matching.
<b>Efficiency sub-total</b>							<b>(2,144)</b>	
CFW	ASS&CW	13	Social care transport services	Move to an all age approach to the provision of social care travel	Policy Choice	Working Smarter	(350)	The saving will be achieved through review and alignment (where appropriate) of the social care travel policies of all client groups; maximising efficiency through detailed route planning; further development of independent travel options; and ensuring VFM through a review of contracts with providers.
CFW	ASS&CW	14	Extra Care	Extra care Procurement - re-tendering for the contract(s) to provide support services to clients in extra care housing	Policy Choice	Buying Better	(80)	Conduct a re-tendering exercise to secure the provision of support services at a reduced price for the three extra care schemes operating in Trafford; and an introduction of the well-being charge consistently.
CFW	ASS&CW	15	Public Health	Reducing spend in accordance with expected Government grant reductions	Policy Choice	Buying Better	(800)	Trafford is projecting a reduction in the Public Health grant of approximately £800k in 2016-17. The reduction is in the ringfenced grant and all services provided from the grant are being assessed to identify opportunities to reduce costs. Impact will vary across services and the risk assessment being prepared will outline options for decision in the new year.

Dir'	Port-folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	ASS&CW	16	Care Management	Ascot House - Consider alternative uses of the site	Policy Choice	Promoting Independence	(600)	Ascot currently provides on-site social care assessment beds and is also used for some respite care and by the CCG for intermediate care beds. It is proposed to remove the social care assessment function and explore alternative means of providing this in the community. This will be done in conjunction with CCG and Pennine care to find the best delivery model to meet need across the health and social care environment. Any impact will be closely monitored and managed depending on the option chosen. The original saving of £(800)k has been reduced in 2016/17 to reflect the updated timetable for delivery of the saving.
CFW	ASS&CW	17	Care Management	Pathways - review the provision of day care services to clients with learning disabilities	Policy Choice	Promoting Independence	(175)	This project will ensure value for money in the provision of day care services to clients with learning disabilities through review of existing provision and alternative means of meeting need. The impact on service users and their families is being mitigated by individual discussion with them about future options and the best way to meet their needs.
CFW	ASS&CW	18	Care Management	Rapid Response - review the Rapid Response service	Policy Choice	Promoting Independence	(175)	A detailed analysis of the workload of the Rapid Response team is to be undertaken to review impact.

Dir'	Port-folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
CFW	ASS&CW	19	All Services	Reshaping Care - managing the Council funded cost of care through increasing client independence.	Policy Choice	Eligibility & Access	(3,650)	The Council embarked on a reshaping care programme across Adult's Services in April 2015 with implementation of a new policy. This work is to be extended across all client groups and involves a review of how we meet assessed need across all care packages (approx. 3,500). Total spend in this area is approx. £56m accounting for a very significant proportion of CFW budget. CFW has a statutory duty to meet assessed need so the changes are about finding more innovative approaches to do so. Individuals are involved in the assessment and care planning process to ensure any impact is mitigated. This target includes an extra £650k from draft budget stage to reflect the improved performance in 2015/16 and an increase in the number of care packages that will be reviewed in 2016/17.
<b>Policy Choice sub-total</b>							<b>(5,830)</b>	
<b>Total All Proposals Adults Services</b>							<b>(7,974)</b>	
<b>Total All Proposals CFW Services</b>							<b>(9,799)</b>	



## **Economic Growth, Environment and Infrastructure**

This directorate delivers the following services: development management and strategic planning, economic growth and housing, regulatory services including environmental health, public protection, parking and building control. It also manages the delivery of the following services through the One Trafford Partnership: environmental services, including waste collection, grounds maintenance and Greenspace and street cleaning; highways, street lighting and flood risk management and property services, including managing council buildings and commercial properties.

Collectively, the directorate is responsible for managing critical infrastructure and green spaces in the Borough, land use planning, ensuring and promoting community and public safety and attracting investment into the Borough to support economic growth, development, employment and opportunities.

### **Service Performance**

The Economic Growth, Environment and Infrastructure directorate has a track record of delivering high quality and low cost services. We have striven to improve or maintain performance in the current year. Some notable service performances and improvements are shown below:

- Clean 2,000 linear miles of highway channels and footways at least once every 8 weeks.
- Remove approximately 6,000 tonnes of street sweepings per month and 500 tonnes of litter from approximately 1,200 waste and litter bins (streets and parks).
- Remove approximately 1,200 tonnes of fly-tipping per year.
- Respond to more than 450 incidences of graffiti per year.
- Maintain 40 public parks covering 243 hectares, with 4 parks currently achieving Green Flag status.
- Support 30 active Friends of Parks Groups.
- Maintain 86 children's play areas.
- Maintained over 500 miles of roads and footpaths.
- Maintained over 27,500 lampposts and 4,500 items of illuminated street furniture.
- Spread over 2,100 tonnes of salt and grit to keep our roads safe in winter.
- Provided 69 active school-crossing patrol points in Trafford.
- Manage over 200 hectares of countryside throughout the Mersey valley in conjunction with Trafford Countryside Management Partnership, including more than 20 distinct countryside sites such as Sale Water Park, plus the northern section of the Trans Pennine Trail.
- Manage over 35km of permissive footpath, PROW network and the southern section of the Trans Pennine Trail in conjunction with the Bollin Valley Partnership.
- Mow over 1 million square metres of grass each year across parks, sports pitches, highway verges and other open space.
- Recycle 62% of domestic waste (14/15), making Trafford the best performing district in Greater Manchester and the highest performing metropolitan authority in the country.
- Empty approximately 30,000 bins of household rubbish every day.
- Sent around 30,000 tonnes of household garden and food waste for anaerobic digestion (composting) in 2014/15 – the highest amount the Council has collected in one year.

- Supported 100 Trafford residents into employment through the Trafford Pledge, working in partnership with the private sector and other key stakeholders.
- Established the Trafford Park Business Network to encourage inter-trading and networking between businesses on the Park.
- Awarded c£110,000 in loans to assist businesses to take up vacant retail units in town centres, which levered in c£750,000 of business investment.
- Supported 74 new businesses to start trading with the creation of over 80 jobs through our Business Start Up programme, delivered in partnership with Blue Orchid (from 2012 to 2015).
- 87 new affordable homes delivered by our housing association partners in 2014/15.
- In 2014/15 the Planning Service received 2,567 planning applications.
- The planning service determined 81.8% of all decisions on major planning applications within timescales, 60.7% of all minor planning applications within 8 weeks and 76.8% of 'Other' planning applications within 8 weeks.
- 20 surplus sites were disposed of by the Council with a value of £3.62m in the financial year 2014/15, with a further £3.6m of receipts anticipated from disposals in 2015/16. Further sites with an estimated value of £5.5m have been identified for disposal from 2016/17 onward.
- Support and regulate over 5,000 premises for food, health and safety, trading standards, pollution and licensing and maintain other health and safety initiatives.
- Manage parking restrictions on street and off street across the borough with 1,700 car park spaces in 22 off street car parks. Pay and display is in place on six car parks and in three town centres on street. Safe parking awards (ParkMark) have been achieved in 11 Council car parks.
- Licence and regulate approximately 2,400 premises, people and taxis within the Borough.
- Carry out over 4,500 pest control treatments in homes, schools and businesses across the borough.

### **Approach to Budget**

The directorate is looking to deliver further efficiency savings through its innovative One Trafford Partnership with Amey, whilst protecting service standards. In addition the directorate is looking to increase income by maximising how it uses Council assets, working with private, public and third sector partners. This includes looking for new income opportunities where this is appropriate and proportionate.

### **One Trafford Partnership**

Our new partnership with Amey is responsible for the delivery of a wide range of environmental and infrastructure services.

The introduction of innovative approaches and investment in systems and technology will allow some of these service areas to be delivered more efficiently with minimal impact on service standards in 2016/17. Examples of areas which will contribute to savings are grounds maintenance, more efficient collection of green waste during winter and the provision of "Bring Sites" for domestic waste.

### **Street Lighting**

In 2016/17 the One Trafford Partnership will begin to roll out the replacement of the old street lighting units with new energy efficient LED lamps across the borough. The whole programme is expected to take 18 months to complete and will eventually produce a saving of around 60% on the current street lighting energy costs.

Alongside the rollout of LED street lighting and the provision of a Central Management System, a variable lighting regime will be introduced, with the dimming of street lights at night time hours. The periods of dimming will be variable and be dependent on location, with lighting maintained at appropriate levels to ensure community and highway safety.

### Parking Fees

Currently the parking fees in Trafford are 1hr - 20p, 2hrs - 60p, 3hrs - £1, 4hrs - £2, day - £3 (£2 on-street). We are proposing to revise the charges with a new 30 minute charge and a reduction in the 2 hour charge to encourage shoppers, and an increase in all day charges: 30 mins – 20p, 2hrs - 50p, 3hrs - £1, 4hrs - £2, day - £4 (£3 on street). We are also proposing to introduce charges at the following car parks which are currently free all day:

Balmoral Road, Altrincham.

Golden Hill, Urmston.

Warrener Street, Sale Moor.

The proposal is for 2 Hrs free; over 2 Hrs £1.

### Income generation

Additional income will be generated from Council property, including Altair, Altrincham, Stretford Mall, and the Airport. Contracts are being negotiated for advertising on Council land, and additional planning income will be received as the development market improves following the economic downturn. Opportunities for partnership arrangements will be pursued to generate additional income through the economic growth and environmental protection teams.

### Efficiency savings

Efficiency savings will be delivered through managing inflation in the parking contract and a review of the senior management structure.

### Budget Movement Summary 2016/17

The following summary table categorises the movement in the Directorate's budget for 2016/17. The Savings are also cross referenced to the Savings Schedules below.

<b>Economic Growth, Environment &amp; Infrastructure</b>	<b>2016/17 (£000's)</b>	<b>Savings Schedule Reference(s)</b>
<b>Budget Brought Forward</b>	<b>32,866</b>	
Additional Resources to meet Pressures:		
- Pay Related Inflation	185	
- Contract Related Inflation	921	
- GM Waste Disposal Levy	700	
- Other business consequences	94	
- Terms and Conditions	106	
<b>Total new resources allocated</b>	<b>2,006</b>	
Resource Reallocations through:		
- Efficiencies	(1,792)	E1 - 6
- New or Increased Income	(905)	E7 - 12
<b>Total new resources allocated</b>	<b>(2,697)</b>	
Net Year-On-Year Change	(691) (2.1)%	
<b>Net Budget Proposal</b>	<b>32,175</b>	



## Economic Growth, Environment and Infrastructure – Schedule of Savings 2016/17

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
EGEI	E&O/ EGP	E1	One Trafford Partnership	One Trafford Partnership for Environmental, Highways, Street Lighting and Property Services	Efficiency (full year effect)	Buying Better	(750)	Full year effect of One Trafford Partnership contract which commenced 4th July 2015 – total saving in 2016/17 is £3m
EGEI	E&O/ EGP	E2	One Trafford Partnership	Additional One Trafford Partnership savings of £411k per below				
		E2a	One Trafford Partnership - Grounds Maintenance	Amendments to grass cutting	Efficiency	Buying Better	(44)	Minor alteration in the 'maximum grass height' within the outcome specification. This will deliver an opportunity to slightly reduce the planned frequency of mowing. The quality of cut will be maintained, and in some circumstances improved by the utilisation of alternative ground care equipment.
		E2b	One Trafford Partnership – Grounds Maintenance	Operational efficiencies	Efficiency	Buying Better	(19)	Annualised hours for staff will enable surplus working hours to be moved from the winter period into the growing season. This enables a reduced reliance on agency and subcontract personnel.
		E2c	One Trafford Partnership – Waste Management	Bring sites – alternative service provision	Efficiency	Buying Better	(27)	Removes 8 remaining council owned 'Bring Sites' for glass, cans, plastic bottles, paper and card as the ability to access recycling is already available to all residents as a kerbside collection.

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
		E2d	One Trafford Partnership – Waste Collection	Winter green waste collections	Efficiency	Buying Better	(146)	Construct a more efficient Winter Green collection service. Rounds will be consolidated on some days through the winter months, reducing fuel and agency labour costs and minimising vehicle wear and tear. There will be no alteration to the frequency, or days of collection for residents.
		E2e	One Trafford Partnership – Technical & Property Services	Property services – Operational efficiencies	Efficiency	Buying Better	(150)	Operational efficiencies in property services, e.g. facilities management, following the review of services and submission of Technical Services Plan as part of the One Trafford Partnership contract agreement.
		E2f	One Trafford Partnership - Highways	Management of insurance claims	Efficiency	Buying Better	(25)	Improvements to the management of insurance claims (e.g. Section 58)
EGEI	E&O	E3	Street lighting	LED roll out – energy saving	Efficiency	Buying Better	(410)	Year 1 energy saving from the roll out of LED street lighting and the use of a Central Management System to control LED lighting (dimming). The roll out is scheduled between April 2016 and September 2017 and the total full year saving is £1.0m before financing costs (estimated at £500k).
EGEI	E&O	E4	Parking Services	Cost control to reduce inflation	Efficiency	Working Smarter	(25)	Management of contract and other running costs to reduce inflation pressures.
EGEI	E&O	E5	Senior Management	Senior management restructure	Efficiency	Working Smarter	(90)	Rationalisation of Senior Management structure to reflect new models of service delivery.

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
EGEI		E6	All	Terms and Conditions	Efficiency		(106)	Terms and Conditions savings
Efficiency sub-total							(1,792)	
EGEI	EGP	E7	Highways	Media advertising	Income	Maximising Income	(300)	Renegotiation of existing advertising contracts plus new opportunities for additional sites and digitisation of existing sites.
EGEI	EGP	E8	Asset Management	Let estate income	Income	Maximising Income	(192)	Increased income for the council's investment property portfolio.
EGEI	E&O	E9	Parking	Parking fees	Income	Maximising Income	(183)	Currently the parking fees in Trafford are 1hr - 20p, 2hrs - 60p, 3hrs - £1, 4hrs - £2, day - £3 (£2 on-street). It is proposed to revise charges to 30 mins – 20p, 2hrs - 50p, 3hrs - £1, 4hrs - £2, day - £4 (£3 on street). It is also proposed to introduce charges at the following car parks which are currently free all day: Balmoral Road (Altrincham), Golden Hill (Urmston), Warrener Street (Sale Moor). The proposal is for 2 hrs free with over 2 Hrs £1.
EGEI	E&O	E10	Public Protection	Environmental Protection new income	Income	Maximising Income	(38)	Additional income from Carrington power stations relating to air quality monitoring (£27k is one-off with 11k ongoing from 2017/18).
EGEI	EGP	E11	Planning	Additional income from planning application fees	Income	Maximising Income	(100)	The volume of planning applications is currently higher than expectations and is expected to be sustained in 2016/17.

Dir'	Portfolio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
EGEI	EGP	E12	Economic Growth	Income from partnership agreements and other opportunities	Income	Maximising Income	(92)	This includes a one-off £67k from the partnership agreement relating to Himor Carrington. Similar opportunities to generate a sustainable £25k additional income are also being developed.
Income sub-total							(905)	
Total All Proposals							(2,697)	

**Portfolio Key**

*E&O: Environment & Operations Portfolio*

*EGP: Economic Growth & Planning Portfolio*

## Transformation & Resources (T&R)

### Service Description

The Transformation & Resources Directorate delivers a diverse range of services, has an extensive customer base and acts as the catalyst for transformation and innovation across the Council. It has a large number of customer facing services such as Access Trafford (our customer service centre), housing benefits, collection of Council Tax and Business Rates, library services and safer communities. We also organise elections and manage the electoral register, conduct marriages, civil partnerships and register over 10,000 births, deaths and marriages every year. We will continue to lead on driving corporate improvement by providing good governance, financial, legal and HR probity and strengthening our strategic and local partnerships to develop resilient and safe communities.

'Back office' support functions are provided which deliver services to other directorates. This includes financial management, audit, procurement, legal, human resources, ICT, transformation, performance and communications and marketing. These have been centralised to reduce costs, reduce risks and provide consistently high professional standards.

Our procurement service is provided by STaR which is a collaboration between Stockport, Trafford and Rochdale. There is also a trading arm within the Directorate which trades services to schools, such as catering and cleaning, and to Trafford Residents such as the Bereavement service.

### Approach to Budget

The Directorate approach to the budget pressures is to continue to look for opportunities to exploit technology, implement cost efficiencies and identify innovative delivery models; with the savings proposals aligned to the aims of our Reshaping Trafford Council Programme.

- **Working Smarter – (£441k)**

We continue to review how our services are being used and how they will be used in the future so that we can focus on key customer requirements. The Directorate will review the cost of providing each of the services and identify the best way to deliver them, including rationalisation of structures, so that we can continue to offer value for money,. In addition we have brought services together where there are opportunities for synergies and further efficiencies for example financial assessments, debt recovery, payments and services for vulnerable clients have been brought together. This has resulted in efficiencies and a more joined up, improved approach to the customer service received by residents and an improved financial position for the authority.

- **Trading/income generation – (£314k)**

As part of a Reshaping Trafford, we have developed a two year approach to reviewing all services in order to generate additional income and identifying collaborative opportunities that realise efficiency savings. Year 1 savings include:

Trafford Services for Education (£200k) – We will build on existing services to schools to improve cost recovery and develop new business opportunities.

Waterside Arts Centre (£50k) – Income generating opportunities have been developed which will make the Centre more self-sufficient; reducing funding required from the Council. Different ways of using the Centre are being explored such as conferences and

weddings packages, increased seasonal programming as well as a review of hire charges and ticket prices.

Bereavement Services (30K) – We are proposing the introduction of a range of new products and will review our fees and charges to improve cost recovery.

Human Resource (£19k) – we have developed additional income generating opportunities with our partners.

Communications (£15k) – we will develop a commercial pricing structure for external companies using the Borough's Assets for photographs and films.

- **Collaboration/working in partnership**

We will continue to consider collaborative opportunities in order to improve services and reduce costs.

We are establishing an innovative collaboration with Greater Manchester Police to create a single HR/payroll Shared Service Centre. This will be the first such collaboration in the UK.

A Community Interest Company (CIC) for leisure services has been set up. This will, in the short term, manage the 8 leisure centres and 2 golf courses whilst we determine whether this is the best long term vehicle to deliver sustainable, high quality leisure provision for the residents and visitors to the borough and that it complements the rich variety of sport and leisure currently provided by the commercial sector.

We are progressing a partnership opportunity for our CCTV service to ensure the future resilience of the service and are investing in new technology to ensure that the Council's commitment to a safer borough is maintained.

### **Service Performance**

The Transformation and Resources Directorate has a track record of delivering high quality and low cost services. We have striven to improve or maintain performance in the current year. Some notable service performances and improvements are shown below:

### **Low Council Tax and Value for Money**

- The Council continues to collect over 97% of Council Tax remaining the highest in GM which supports the Council's financial resources.
- We have developed innovative solutions to avoid the closure of libraries through the creation of multi-use hubs with other agencies such as GP practices and creative recycling of land and buildings. Improved technology has enabled the public to access libraries outside of normal opening times.
- The Council's customer contact service deal with over 330,000 telephone enquiries per year. In 2015/16, the Contact Centre target is to answer 80% of telephone calls within 20 seconds. Cost savings have been made in staffing as the online services increase and this has reduced the cost per call from £3.04 to £2.50. With the implementation of the One Trafford partnership between the Council and Amey the phone calls associated with waste, recycling, highways and street lighting transferred to Amey in November 2015.
- Action to reduce fraud has resulted in £ 1,032,240 of fraudulent benefit overpayments in the first three quarters of 2015/16 being identified and 98 sanctions applied including 60 prosecutions;

- Health and well-being events have been provided to residents, offering free health checks, such as blood pressure and diabetes, together with advice on smoking cessation and alcohol awareness.
- Services to register births, deaths and marriages have improved with joint services with Manchester Register Office so that we register births for Trafford residents who have given birth in Manchester hospitals. We also offer the enhanced “Tell Us Once” service for both births and deaths and offer appointments through lunchtime to assist residents who are working.
- The Catering Service serves on average 15,000 meals per day, over 2.85 million meals per year, making us the largest and first choice supplier in the Borough. Both Catering and Cleaning operate in very competitive markets therefore high quality standards combined with cost effective service delivery are essential to ensure successful purchase of the services. We also manage over 71 designated school crossing points.
- The authority has one crematorium and five cemeteries and the service undertakes approximately 1700 cremations and 600 burials per year. Records are held in the central office based at Altrincham Crematorium where all administration is undertaken. Whilst Bereavement Services are a service used out of necessity, aftercare is an important part of what is provided. This can affect quite markedly the lives of those in the Borough as they traverse the grieving process. Provision is made for all religions and for those without religious convictions to the same high standard.
- The Council continues to promote openness and transparency and our Council meetings have received over 9000 online views.
- Around 118,000 people voted in the Parliamentary and Local Elections in May 2015. Facilities for people to register on-line have been put in place which saves time and money.

### **Safe place to live - fighting crime**

- Trafford continues to be the safest area in Greater Manchester, with the lowest crime rate per 1000 head of population and the highest public satisfaction and confidence rates.
- During the summer of 2015 we proactively used new Anti-Social Behaviour legislation, taking out ex-parte injunctions, to change the behaviour of a small number of young people involved in a few isolated incidents of public place ASB and violence. This led to collaborative opportunities to work with services such as Stronger Families and community youth outreach services. Two local third sector organisations have also been commissioned to do outreach work in the community. Over 3000 families have been contacted through schools to provide reassurance that collectively all partners, alongside families themselves, take the safety of their children very seriously.

### **Economic Growth**

- The Council has created over 80 apprenticeships through its internal programme and 39 of these have gone on to secure employment, either with or outside of the Council. A number of the Council’s apprentices have been successful in winning awards from Trafford College and Skills for Business.
- Through its business engagement activity, the Council has contacted over 1000 Trafford businesses to provide advice, support and encouragement to recruit apprentices. 120 opportunities have been created to-date.
- During 2014-15 Waterside Arts Centre welcomed 118,307 visitors, sold over 51,000 tickets and hosted 1,304 events. 3,393 school pupils attended events at the venue and our customer survey informed us that customer satisfaction was 96%.

## **Services focussed on the most vulnerable people**

- Trafford Assist has continued to provide crisis support to those residents in most need as well as offering free personal budgeting advice to residents.
- Trafford Partnership supported young people to enter an activity agreement, where one-to-one support was provided with training and skills, alongside work with the family and carers to reduce the risk of homelessness. The project has been very successful with homelessness reduced in the borough and 85% of participants have moved into education, employment and training.
- South Trafford Partnership has successfully bid for funding from Our Place to develop a project, which brings together a range of partners to work innovatively to tackle the issue of older people isolation.

## **Building Resilient Communities**

- Between April 2013 and March 2015, 373 employment opportunities were created through the Trafford Pledge. This demonstrates Trafford businesses' commitment to employment support for local people by offering a job, an apprenticeship, work experience or mentoring and practical help.
- Trafford Council is providing work experience placements, life skills training, employment and mentoring opportunities to vulnerable young people, including our Looked After Children and young people with learning difficulties.
- Trafford Partnership team formally launched its Locality Working programme at 4 locality stakeholder events in June 2015. Locality working means bringing together everyone, from individual residents, businesses, community and faith groups, Councillors, community leaders and public sector bodies to work in partnership, share resources and enable new ideas to develop and making use of all the physical and human assets and community spirit that thrives within our localities.
- The 'Be Bold, Be the Difference' campaign, a part of Locality Working model, seeks to inspire local people to form a social movement and be active in their neighbourhoods which will strengthen and enhance Trafford's communities for many years to come. Small seed-funding grant schemes, such as Make Sale Smile and the Old Trafford & Stretford Environmental Grant scheme, are being rolled out to incentives residents to come up with innovative ideas for projects that can be delivered locally and then up-scaled or replicate in other parts of the borough as appropriate.
- Our contract with Thrive has enabled us to support 390 voluntary and community sector groups and organisations in Trafford in the year to October 2015 and to develop the Pro-Bono Bank which means that over 75 new businesses are engaged in Corporate Social responsibility programmes with over 80 voluntary and community sector organisations benefitting.
- The 2015-16 Voluntary Sector Grant scheme funded 45 projects allocating £80,000 in grant funding. Building on the success of previous years the 4 Locality Partnerships and Thrive hosted 4 public voting events, attended by over 1500 residents, to decide which projects should get funding. Of this year's recipients 28 secured funding for the first time.
- The Partnerships team continue to support community and neighbourhood partnerships to deliver projects on the ground. For example Sale West and Ashton Partnership provide a volunteer-led job club which since its creation has supported 186 residents into employment. In addition the 'Food for Us' project in Broomwood which supports sustainable food growing received support to obtain funding for raised beds at the Community and Wellbeing Centre.



## **Other Service Achievements**

- We have supported a range of sporting and leisure activities in the borough including the Greater Manchester Marathon and, as a result, have increased the benefit the community gains from these events. For example Xtra Mile Events have committed £1 from each entry fee into the marathon which saw the launch of 'Trafford Talented Athlete' fund with investment at £10k.
- Trafford's unique Data and Innovation Lab continues to lead the way nationally in the use and promotion of open data to inform service development and support community initiatives. Trafford was one of 16 Local Authorities invited to attend a Cabinet Office Local Open Data Champions Event in March 2015 and only one of 5 asked to speak, in recognition of its leadership in the Open Data arena.
- The Council successfully secured funding of £171k to set up a new Counter Fraud and Enforcement team to tackle non-benefit fraud. The team has already in its first 6 months of operation secured its first conviction.
- Trafford is leading the way in GM in supporting current and ex Armed Forces personnel and this year we were given a Silver Award for our efforts by the national Defence Employer recognition Scheme.
- The Partnerships team in conjunction with Sports, Health and Environmental partners and Transport for Greater Manchester have set up an Active Trafford Greenspace project to deliver a range of guided walks and themed events designed to help more people explore and enjoy Trafford's great outdoors.
- A Change Management Strategy - 'Supporting Change to Happen' was implemented, involving the delivery of training and development and support for managers and staff based on their feedback through the 'Are you ready for change' staff survey, in addition to a wide range of engagement activity in respect to the Reshaping Trafford agenda.
- The Council was shortlisted as a finalist in the CIPD People Management Awards for 'Best Employee Relations Initiative'.
- Electoral Services successfully organised the local and European Elections in May 2014 and local and Parliamentary elections in May 2015.

## Budget Movement Summary 2016/17

The following summary table categorises the movement in the Directorate's budget for 2016/17. The Savings are also cross referenced to the Savings Schedules below.

Transformation and Resources	2016/17 (£000's)	Savings Schedule Reference(s)
<b>Budget Brought Forward</b>	<b>16,215</b>	
Additional Resources to meet Pressures:		
- Pay Related Inflation	804	
- Contract Related Inflation	223	
- Specific Grant Reductions	204	
- Demographic	75	
- Other business consequences	(14)	
- Terms and Conditions	162	
<b>Total new resources allocated</b>	<b>1,454</b>	
Resource Reallocations through:		
- Efficiencies	(603)	T1 - 4
- New or Increased Income	(314)	T5 - 9
<b>Total new resources allocated</b>	<b>(917)</b>	
Net Year-On-Year Change	537 3.3%	
<b>Net Budget Proposal</b>	<b>16,752</b>	

## Transformation and Resources – Schedule of Savings 2016/17

Dir'	Portfolio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
T&R	T&R	T1	Support Services	Service and Process Optimisation (detailed below)	Efficiency			Streamlining back office through improved processes, better targeted service delivery and review of operating models. This is year 1 of a two year programme
	T&R	T1a	Legal and Democratic Services	Cost reduction and recovery	Efficiency	Working Smarter	(40)	Review of costs and recovery of costs
	T&R	T1b	Access Trafford	Cost reduction measures	Efficiency	Working Smarter	(38)	Call volume reduction, system updates and lower system maintenance costs.
	F	T1c	Finance	Staffing restructures	Efficiency	Working Smarter	(68)	Full year effects of staffing restructures implemented in 2015/16 plus further realignment of staff budgets
	F	T1d	Finance	Review charges	Efficiency	Working Smarter	(55)	Increased financial assessment charges in adult social care due to data matching.
	C&P	T1e	Partnerships and Communities	CCTV monitoring cost efficiencies and business development	Efficiency	Working Smarter	(25)	Reduce maintenance costs through one-off capital investment in infrastructure. Develop business and collaboration opportunities to better recover costs.
	T&R	T1f	Human Resources	Cost efficiencies and recovery	Efficiency	Working Smarter	(25)	Review of costs and recovery of costs
T&R	T&R	T2	Human Resources	Collaboration with Greater Manchester Police Authority	Efficiency	Working Smarter	(75)	GMP Collaboration
T&R	T&R	T3	Senior Management	Senior management restructure	Efficiency	Working Smarter	(115)	Rationalisation of Senior Management structure to reflect new models of service delivery.

Dir'	Port- folio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
T&R	T&R	T4	All	Terms and Conditions	Efficiency		(162)	Reinstate Terms and Conditions savings
<b>Efficiency sub-total</b>							<b>(603)</b>	
T&R	T&R	T5	Communications	Business Development	Income	Maximising Income	(15)	Development of a commercial pricing structure relating to photographic/film opportunities in Borough's assets.
T&R	C&P	T6	Sale Waterside Arts Centre	Business development	Income	Maximising Income	(50)	Develop existing and new areas of business (e.g. weddings and conferences) and reduce reliance on Council funding.
T&R	T&R	T7	Human Resources	Review charges	Income	Maximising Income	(19)	Providing HR Support to CCG and Leisure
T&R	T&R	T8	Traded Services for Education	Business development	Income	Maximising Income	(200)	Build on existing traded services with Education to improve cost recovery and develop new business opportunities.
T&R	T&R	T9	Bereavement Services	Business development	Income	Maximising Income	(30)	Review of fees to better reflect cost recovery and introduction of new product range
<b>Income sub-total</b>							<b>(314)</b>	
<b>Total All Proposals</b>							<b>(917)</b>	

#### Portfolio Key

**C&P:** Communities & Partnerships Portfolio

**T&R:** Transformation & Resources Portfolio

**F:** Finance Portfolio

## Council-Wide Budgets

### Service Description

There are a number of budgets that relate to the Council as a whole and/or affect all services.

The current 2015/16 net budget is £23.847m, the majority of which relates to the transport levy payable to the Greater Manchester Combined Authority (GMCA), debt charges for loans taken out to support past investment in infrastructure through the capital programme, and 'non-ring-fenced' Government grants including Education Services Support, Council Tax Freeze Compensation and New Homes Bonus.

A summary of the Council-Wide budget for 2015/16 by gross expenditure and gross income and 2016/17 draft budget is shown below;

Council-wide Budgets	2015/16			2016/17	Change
	Gross Exp (£000's)	Gross Income (£000's)	Net (£000's)	Net (£000's)	
Housing Benefit Subsidy GM Combined Authority	68,069	(68,007)	62	62	0
Transport Levy	16,543	0	16,543	16,597	54
Other Levies & contributions	1,204	(29)	1,175	1,232	57
Treasury Management	11,164	(3,245)	7,919	4,704	(3,215)
Non-ring-fenced Grants	0	(8,308)	(8,308)	(7,651)	657
Insurances	1,826	(951)	875	875	0
Additional Pension Allowances	1,037	0	1,037	1,037	0
Contingencies and Provisions	1,501	0	1,501	1,773	272
Members Expenses	904	0	904	863	(41)
Business Rates	2,592	(579)	2,013	2,208	195
External Audit	130	(4)	126	135	9
<b>Total Budget</b>	<b>104,970</b>	<b>(81,123)</b>	<b>23,847</b>	<b>21,835</b>	<b>(2,012)</b>

The 2016/17 budget is proposed to reduce by £(2.0.12)m. The salient features of each budget line are set out below.

### Housing Benefit Subsidy and Discretionary Housing Payments

The budget for Housing Benefit payments and subsidy, plus Discretionary Housing Payments, both of which are administered on behalf of the Government, are held within Council-wide. There is no expected change to this (net) budget for 2016/17.

### Precept & Levies

The Council's contribution to the GMCA for the transport levy for 2015/16 is £16.543m; an increase of £0.054m has been included in 2016/17 reflecting Trafford's increased share of the levy due to a change in our population relative to other AGMA councils.

The Council also has the legal responsibility to contribute to a number of other agencies that provide services on behalf of all or a number of Greater Manchester Authorities; details are :-

<b>Other Levies &amp; contributions</b>	<b>Net 2015/16 £000</b>	<b>Net 2016/17 £000</b>	<b>Change £000</b>
Coroner's and Mortuary fees (South Manchester Coronal District)	534	584	50
Flood Defence levy (Environment Agency)	144	147	3
Association of Greater Manchester Authorities (AGMA).	355	355	-
Other (LGA Subs, Probation, Parish Council Grants & Magistrates Court debt repayments)	142	146	4
<b>Total Other Levies and Contributions</b>	<b>1,175</b>	<b>1,232</b>	<b>57</b>

Changes in demand have increased the costs of the Coroner's service shared between the Council, Stockport (lead Authority) and Tameside Councils. Trafford's contribution is estimated to increase by £0.050m in 2016/17.

Provision of 2% increase has been made for the costs of the Flood Defence levy.

Other budgets include the Local Government Association (LGA) and North West Employers (NWE) subscriptions totalling £0.055m, debt charges relating to the former Greater Manchester Magistrates Court of £0.022m, Parish Council grants of £0.046m and annual Copyright Licence fee of £0.007m..

### **Treasury Management**

The Council's treasury management operations ensures that day to day cash flows are adequately planned for, surplus monies are invested in low risk counterparties and the longer term cash flow implications of the Council's current and historical capital spending operations are met.

For 2016/17 a budget reduction of £(3.035)m has been forecasted with the main areas and assumptions from where these savings are to be generated including :

- Change to the methodology for calculating the annual Minimum Revenue Provision set aside for loan principal repayments relating to core debt - £(0.930)m and Sale PFI Debt £(0.209)m.
- Discontinuing the annual provision regarding the debt administered on behalf of Manchester Airport Group - £(0.288)m.
- Additional share dividend from the Manchester Airport Group - £(1.245)m.
- Additional Investment interest of £(0.4)m based on latest interest rate forecasts and including funds invested in the Church Commissioners Local Authority Property fund and proposals with the GM Pension Fund on payment of the Council's annual pension contributions.
- Savings in loan interest payable due to maturing debt not being replaced - £(0.163)m.

## Non-ring-fenced Grants

The 2015/16 Council-wide budget holds £(8.308)m of non-ring-fenced grants and this is estimated to reduce to £(7.209)m as set out below.

Grant	2015/16 (£000's)	2016/17 (£000's)	Change (£000's)
New Homes Bonus (note c)	(2,453)	(3,076)	(623)
Children's Service Adoption Grant	0	0	0
Council Tax Freeze Grant 15/16 ( note a)	(903)	0	903
Local Service Support Grant	(17)	(17)	0
Business Rates Compensation Grants (note b)	(2,143)	(1,593)	550
Transition Protection Grant (note c)	-	(465)	(465)
Council Tax Annex Grant	(10)	(10)	0
Education Services Support Grant (note d)	(2,782)	(2,490)	292
<b>Total</b>	<b>(8,308)</b>	<b>(7,651)</b>	<b>657</b>

### Notes:

- a) The Freeze grant for 2015/16 will be transferred to Revenue Support Grant in 2016/17. A Freeze grant will not be available in 2016/17 as set out in the Government's Autumn statement.
- b) Business Rate Compensation Grants are to reimburse the Council for Small Business Rate Relief, Empty Property Relief, Retail Rate Relief and Business Rates inflation cap. In the recent Autumn Statement the Chancellor announced the cessation of the Empty Property and Retail Reliefs, thus removing the grants used to compensate the Council. The additional income generated by their removal now featuring in the collection fund.
- c) Transition Protection Grant - The Local Government Finance Settlement in December 2015 distributed funding on a revised basis that had a more severe impact on a number of authorities than anticipated. As part of the Council's response to the consultation this issue was raised with the Government who, in recognition of the difficulties in accommodating such a late change in their financial plans, have made a transition grant available of £150m in 2016/17 and 2017/18, which for Trafford is £(0.465)m and £(0.458)m respectively.
- d) The Autumn Statement also announced additional New Homes Bonus grant of £(0.623)m and a reduction in the Education Services Support Grant of £0.292m in recognition of an increasing amount of schools moving to academy status.

## **Business Rates**

The forecast in the 2016/17 budget includes for additional income of £2.77m from business rates growth.

The expenditure budget in Council-wide represents the forecast levy payable on business rates growth of £3.31m. It should be noted that most of the additional income from business rates growth is treated as 'funding' i.e. it is similar to how council tax is used to pay for the budget.

In 2015/16 the Council operated in a business rates pool with the other nine Greater Manchester Councils and Cheshire East Council. The advantage of the pooling arrangement is that any levy paid by the Council on business rate growth is retained in the pool. An agreement has been negotiated with the other AGMA authorities that Trafford can retain for its own use one third of the levy that it would otherwise have paid to the Government. It is assumed that the business rate pool will continue to operate in the same way in 2016/17 and £(1.104)m is included in the budget in respect of the one third retained levy.

## **Insurance**

The cost of premiums and claims, mainly for fire, public and employers liabilities. This budget is net of the recharge for similar insurance cover provided to Schools. There is no change in the 2016/17 budget.

## **Contingencies and Provisions**

This budget includes provision, on behalf of the Council overall, for a number of expense items that are uncertain in value and for which individual services would have difficulty in meeting. The largest component is an allowance for redundancy costs at £0.413m established in 2015/16, the budget has been increased marginally by £0.034m to £0.447m in 2016/17 as a result of a reduction in the Additional Pensions Allowance budget mentioned below.

An allowance of £0.7m was made as a prudent general contingency to cushion against possible slippage in the delivery of the significant savings programme in 2015/16. This contingency has been reduced by £(0.200)m as part of the final budget assessment.

A central allowance for bad and doubtful debts has always been included in Council-wide. This amounts to £0.230m and compares to the £17m of invoiced income that the Council raises each year. The budget provision has been steadily reduced over recent years. However the budget provision has been maintained at current levels in 2016/17.

The budget also includes a council-wide provision of £0.290m relating to the estimated additional costs of auto-enrolment of staff into the pension fund, plus an additional £0.150m earmarked to cover the potential costs of the recent pay award pending clarification on its application to those on lower spinal column points (SCP's).

A sum of £0.087m has been set aside to increase the pay of Apprentices to the level of the New Living Wage.

## **Additional Pension Allowances**

This budget is to pay for past decisions to augment pensions for members of staff who left the employment of the Council. These decisions were taken a considerable period of time ago as no augmentation to pensions have been awarded to Council staff for over 10 years. Payments continue to be made for the lifetime of the pensioner or their spouse. The budget



has reduced by £(0.034)m as a result of pensions falling out of payment; this reduction has been redirected to the redundancy budget mentioned above.

### Members Expenses

This includes the costs of Councillors' allowances and associated running costs, including communications and ICT equipment costs. The budget for 2016/17 includes £0.010m for pay and running costs inflation and a reduction of £(0.051)m relating to pension and NIC costs.

### External Audit Fees

External Audit Fees covers the standard fee and grant work totalling £0.135m an increase of £0.009m over 2015/16.

### Budget Movement Summary 2016/17

The following summary table categorises the movement in the Council-wide budget for 2016/17. The Savings are also cross referenced to the Savings Schedules below.

Council-wide Budgets	2016/17 (£000's)	Savings Reference(s)
<b>Budget Brought Forward</b>	<b>23,847</b>	
Additional Resources to meet Pressures :		
- Inflation	11	
- Pensions Auto-Enrolment	290	
- Levies	107	
- Specific Grant Reductions	657	
- Business Rates	195	
- Investment Income and Debt Management	(363)	
- Contingency Items	(50)	
- Other Budgets	104	
<b>Total new resources allocated</b>	<b>951</b>	
Resource Reallocations through:		
- Efficiencies	(111)	CW1, CW2, CW3
- New or Increased Income	(1,245)	CW4
- Financing Related	(1,607)	CW5, CW6, CW7, CW8
<b>Total Savings</b>	<b>(2,963)</b>	
Net Year-On-Year Change	<b>(2,012)</b> <b>(8.4%)</b>	
<b>Net Budget Proposal</b>	<b>21,835</b>	

## Council-wide Budgets – Schedule of Savings

Dir'	Portfolio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
C-W	F	CW1	Corporate Costs	Car Lease Scheme	Efficiencies	Terms and Conditions	(55)	Residue of old car lease scheme budget as final contracts expire.
C-W	F	CW2	Members Expenses	Pension & NIC costs	Efficiencies	Terms and Conditions	(51)	Government legislation, effective from 1 April 2014, removed the access to a Local Government Pension Scheme for Councillors. This saving has been phased over 3 years and the full year effect has now been included in the budget from 2016/17.
C-W	F	CW3	Precepts and Levies	Magistrates Court Debt	Efficiencies		(5)	Savings in debt charges for Trafford's contribution to former Greater Manchester Magistrates Court debt.
<b>Efficiencies sub-total</b>							<b>(111)</b>	
C-W	F	CW4	Treasury Management	Airport Dividend	Income	Maximising Income	(1,245)	Additional share dividend from the Manchester Airport Group recognised in base budget.
<b>New Income sub-total</b>							<b>(1,245)</b>	
C-W	F	CW5	Loan Debt	Provision for Loan Default – Manchester Airport Group	Financing Related		(288)	Removal of the annual provision to cover potential default on loan debt administered on behalf of Manchester Airport Group.
C-W	F	CW6	Loan Debt	Provision for Debt Repayment reduced – Sale PFI	Financing Related		(209)	Change to the methodology for calculating the annual Minimum Revenue Provision set aside for loan principal repayments relating to PFI principal repayment.

Dir'	Portfolio	Ref.	Service Area	Description of Saving	Category of Saving	Theme	2016/17 £000's	Impact of Saving (e.g. service, equality, other)
C-W	F	CW7	Loan Debt	Provision for Debt Repayment reduced – Core Debt	Financing Related		(930)	Change to the methodology for calculating the annual Minimum Revenue Provision set aside for loan principal repayments for core debt.
C-W	F	CW8	Investment Interest	Advance pension contributions to GM Pension Fund	Financing Related		(180)	Investment return on the advance payment of annual pension contributions
<b>Financing Related sub-total</b>							<b>(1,607)</b>	
<b>Total All Proposals</b>							<b>(2,963)</b>	

**Portfolio Key**

*F: Finance Portfolio*